

COUNCIL MEETING

April 14, 2010

The Council Meeting of the Council of the County of Kaua'i was called to order by the Council Chair at the Council Chambers, 3371-A Wilcox road, Lihu'e, Kaua'i, on Wednesday, April 14, 2010 at 10:01 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum
Honorable Dickie Chang (present at 3:22 p.m.)
Honorable Jay Furfaro
Honorable Daryl W. Kaneshiro
Honorable Lani T. Kawahara
Honorable Derek S.K. Kawakami
Honorable Bill "Kaipo" Asing, Council Chair

Chair Asing: Please note that Councilmember Chang is delayed and will be here shortly. With that, can we have the first item please?

PETER A. NAKAMURA, County Clerk: First item is approval of the agenda.

APPROVAL OF AGENDA:

Mr. Bynum moved for approval of the agenda as circulated, seconded by Mr. Kawakami, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next item is approval of the minutes of the following meetings of the council:

MINUTES of the following meetings of the Council:

Public Hearing of March 17, 2010 re: Bills Nos. 2346, 2348 and 2349
Special Council Meeting of March 22, 2010
Special Council Meeting of April 1, 2010

Chair Asing: Motion to approve?

Mr. Kaneshiro moved for approval of the minutes as circulated, seconded by Mr. Kawakami, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, at this time we have a request to go to page 2 of the council's agenda for communication C 2010-82.

COMMUNICATIONS:

C 2010-82 Communication (03/29/2010) from the Director of the Office of Economic Development, requesting agenda time to provide the Council with the final Kaua'i Energy Sustainability Plan (KESP).

Chair Asing: Thank you. With that, let me see now. George, you want to come up please?

There being no objection, the rules were suspended.

GEORGE COSTA, Director of the Office of Economic Development: Aloha and good morning, Council Chair Asing and county councilmembers. For the record, George Costa, Director for the Office of Economic Development. Before we have our consultant present the final version of the Kaua'i Energy Sustainability Plan, I would like to thank various individuals and organizations who contributed their time and knowledge, passion and commitment in helping to shape the energy future of Kaua'i. First, I'd like to start with acknowledging Councilman Jay Furfaro and former councilwoman JoAnn Yukimura and Chairman Asing and the county council for your resolution in 2008 requesting the mayor, through the office of economic development, to prepare the Kaua'i Energy Sustainability Plan for Kaua'i County. I would also like to acknowledge Glenn Sato, our energy coordinator, for the coordination of the RFP and consultant selection process, along with then director Beth Tokioka. Also acknowledging Diane Zachary and the Kaua'i Planning and Action Alliance for coordinating the stakeholder and public meetings that we held last year, as well as hosting the Kaua'i Energy Sustainability Plan on their website. Also to acknowledge is the EPAC or the Energy Planning Committee which is comprised of Walt Barnes, Rohit Mehta, Ed Nakaya, JoAnn Yukimura and Councilman Furfaro. I would also like to acknowledge Doug Hinrichs and the SENTECH Hawai'i team who have done a remarkable job over the last year in formulating this plan and working with various individuals throughout the community in the industry field, the renewable energy field and we want to acknowledge them and thank them for their yeoman's work. And then lastly, I'd like to acknowledge Kaua'i businesses and residents that took the time to participate in this process, which again took us over a year, and by all means this final version of the Kaua'i Energy Sustainability Plan is the starting point of a process that'll help to shape our energy future for Kaua'i. So at this time, I'd like to call upon Doug Hinrichs of SENTECH Hawai'i to present the final version of the Kaua'i Energy Sustainability Plan. Doug.

DOUGLAS HINRICHS, SENTECH Hawai'i: Good morning...

Chair Asing: Good morning.

Mr. Hinrichs: Chair and council. It's great to be back. I've come to view this as my second home and I feel like I'm always welcome here, so it's a great feeling to be back, and I have to admit I'm quite addicted to the...is it the Loco Moco? So, I'm going to really miss those in the coming months. I'm waiting actually on the PowerPoint. We might have some technical glitches or...

(Inaudible.)

Mr. Hinrichs: Okay. I'm known for having really large PowerPoint files.

Chair Asing: We're going to take a 5-minute recess.

Mr. Hinrichs: Got it?

(?): Oh, you got it?

Mr. Hinrichs: Is there a pointer?

Chair Asing: Steph, are we...are we okay? Okay, let's take away the 5-minute recess.

Mr. Hinrichs: Okay.

Chair Asing: With that, are you ready?

Mr. Hinrichs: Yes, sir.

Chair Asing: Okay.

Mr. Hinrichs: We're back in session. With that, Doug, go ahead.

Mr. Hinrichs: Thank you, Chair. I'd like to add one name of a person to thank and that is George Costa himself. He's been just a real, you know, a real rock of steadiness in this whole development process, and a fount of wisdom and I really appreciated his guidance and feedback on things. We often call each other on cell like 20 hours, but it's been a very productive relationship and perhaps even friendship.

So we talked about how...you know, we...our first vers...our early version of this...this plan talked about kind of the grand scheme of how to get us all the way to 100% local energy sustainability for both electricity and ground transportation. And, you know, understanding there was some feedback on how it's going to be difficult to accept a, you know, 50 cents per gallon fuel tax, I think people really saw that as being an economic hardship, and I totally understand that and, you know, took that to heart. So George and I have been talking about...and lots of folks have been talking about well, let's take some first steps on the pathway to sustainability. Let's get started. You know we keep talking about having the ultimate solution. Maybe there's no ultimate solution. But there are some very logical cost-effective first steps we can take. So I named this First Steps on the Pathway in the Kaua'i Energy Sustainability Plan Final Report. So I'd like to highlight some of those and the full report is forthcoming. It's got a lot of details and exactly what needs to happen and a basic timeline and that will be provided in the next day or two.

So, just for review, excuse me, our draft recommendations, we have the rollout in January, the basic summary is we had 50 cents per gallon fossil fuel tax raised quite a bit of money, \$186 million for a transportation fund, and some codes and standards on the electricity side, and you know, with the transportation fund we'd do lots of incentives for HEVs and PHEVs, improve the bus system. On the electricity side, we also looked at feed-in tariffs to pass on the costs of the higher renewable energy up-front (inaudible). So...thanks for adjusting that...my slide now says the reaction was not entirely positive. You know the press really kind of ran with this and there were some comments made. In general, that was very, again very understandable. A lot of people said, hey, the fuel tax is way too high, especially in these hard times. It would really overburden the working class folks. I can totally understand that. Some folks didn't quite understand that the tax would just apply to, you know, gasoline and diesel from imported oil, and that's exactly what it was meant to happen. So biofuels would not be taxed, of course. So ethanol or biodiesel would not be taxed. On the electricity side, you know, some people said, well feed-in tariffs, they might work in Europe; we don't know if they'd work here. They were kind of general if you put out one price for all kinds of electricity, renewable energy, how would that really work if you have different resources on the westside versus the eastside of the island? And then some of the folks said, well hydropower, your target's way too high because there's some

environmental, you know, endangered species issues, just like on the wind side. So I understand all those and took those to heart. Back in February, George asked me to come back and talk this very wide selection of folks. So we did that, got a lot more feedback and again adjusted the plan, frankly scaled back on some of the expectations and the goals, but again focus on the first steps. So that's where we're at now.

So for the final recommendations, that's what we're talking about today, I want to give you just a quick preview of some of my...maybe some interpretations, but general highlights of the recommendations. The principles, they're all bound...they're all grounded in very rational approaches, I think. We took into account community priorities and acceptance, sound scientific principles and analysis, the available energy resources, varied commercial off-the-shelf, least-cost technologies, and the basic objectives are two-fold. One is to reduce demand and secondly to increase local and sustainable energy and fuels.

So highlights for the ground transportation, it's...it became relevant...to me it became apparent that the greater impact on the ground transportation would come from the demand reduction activities that we recommend. So, for example, if we encourage people to take the bus, if we incent more efficient vehicles, we can make a much bigger impact on reducing demand on the transportation side. The supply side became frankly a lot trickier because of land costs and zoning and actual land availability for growing fuels, fuel crops. So, we're going to lower the level of fossil fuel tax (inaudible). In doing so, we're also, you know, lowering the level of energy sustainability, the final goals. We'll scale back on that. At some point too, the refineries might really switch to what they call drop-in fuels or biofuels. So I know some refineries are already talking about that. What happens when you know, let's say demand here for gasoline or diesel becomes so small, the refineries can't make a profit. They've got to switch at some point, I believe, to biofuels, to drop-in biofuels. So that could be...that could be a tipping point where we go from let's say 50% to all the way to 100% sustainability on the ground transportation side.

Electricity...I'm afraid Jay's a bit in my way. I'll try to...sorry, Jay.

Mr. Furfaro: (Inaudible.)

Mr. Hinrichs: And there goes our PowerPoint. I'm creating havoc, I'm...I apologize. On the electricity highlights, conversely, we found greater impact from increased supply of sustainable electricity and we can still realistically, I believe, reach 100% energy sustainability on the electricity side. Demand reduction is far less of an opportunity because homeowners don't use a lot of electricity. I think 500 kWh per month, which is very low by at least mainland standards. KIUC has frankly done a really good job of incenting and installing solar water heating to reduce the electricity demand. And it's also...sometimes it's very difficult to influence some small business owners, who, you know, frankly are working so hard they can't slow down and do some energy efficiency upgrades, which maybe they could do to save money over the longer-term. And again, electricity...the, I think, that success is highly depended on the community acceptance of the higher up-front cost for longer term benefits for the renewable energy. So we'll get into that, why I think it's a good investment after all.

So, excuse me, on the final ground transportation recommendations, we have...I have...and the team has changed its recommendations on going from 50 cents, a flat tax, to a 2% fossil fuel tax, again just on gasoline and diesel. So this

would immediately decrease the impact on Kaua'i citizens and it would be...it in (inaudible)...it would (inaudible) some variability...some risk of exactly how much that would be over time because we're tied to oil commodity prices.

There's also state legislation, a state barrel tax, which is being considered and I think perhaps passed soon, which...you know, we want to make sure we don't over burden folks on any kind of a fuel tax

There's also state legislation, a state barrel tax which is being considered and I think perhaps passed soon, which, you know, we want to make sure we don't overburden folks on any kind of a fuel tax.

So as is by...if gasoline was about \$3.40, I believe the last time I took a snapshot picture, this fossil fuel tax would build around \$43 million over twenty years. So this lower fund level, the earlier number was I think \$186 million, so this lower fund would also mean we would have to lower our goals. But I think...

Mr. Furfaro: So that would equate to about 7 cents a gallon?

Mr. Hinrichs: That's correct.

Mr. Furfaro: Okay, I just...

Mr. Hinrichs: Again, it's a snapshot in time. No one can predict, you know, future oil prices, commodities, so.

Mr. Furfaro: So at present, about 7 cents a gallon.

Mr. Hinrichs: Yeah and if I was a betting man and I'm frankly too cheap to bet, but if I was a betting man, I would think that would probably raise...you know, go higher rather than lower in the future, so it's a very conservative number, I believe.

Mr. Furfaro: Thank you.

Mr. Hinrichs: Sure. So again, as we talked about earlier, this fossil fuel tax, I believe, is a very important first step on the pathway to energy sustainability on the ground transportation side. So when I talked to lots of folks here and from hearing from, you know, just everyday citizens from George, from Glenn, from lots of folks, there seems to be a lot of enthusiasm, a lot of support behind improving the bus system, the Kaua'i Bus system. So I've talked quite a bit with Janine and some other folks about how...exactly how we could do that and I'll go through some of the highlights. We'll get into cost at the end of these recommendations. But we frankly wanted to extend the geographic service to go to the place where it's not going now so more people would ride it, increase the route frequency, extend evening and weekend hours, you know some people might want to stay out later on weekends and also go to services, you know religious services on Sundays, for example. We understand that some folks would rather have their surfboards ride on the bus rather than having to ship them or whatever, so we would do that. Lots of folks said, well, there's an image thing about riding the bus. So if we can change that by adding wireless Internet, then we would attract a lot of the younger crowd to ride the bus. So I took that to heart. Not enough park and rides from what I understand or bus stop shelters. We want to look at how we can increase those and make it more convenient for folks. Then as older buses are retired from the fleet, we found, kind of simultaneously, both the county and myself,

these diesel hybrid buses, which get up to 68% better fuel economy and if you apply all the incentives available, they're actually at no additional cost. So the county either has one right now or it's going to be delivered any day now. So it's kind of a no-brainer. Let's just replace those less efficient buses with these diesel hybrids.

Some other folks said why are you giving so much money to hybrid electric vehicles. We think you're spending way too much money. So I get that. On the other hand, these HEVs (hybrid electric vehicles) with some cost-effective incentives, I think, would make them on cost parity, the same price as a regular internal combustion engine vehicle. And these vehicles use up to 40% less gasoline than conventional internal combustion vehicles. So I think it's a pretty good investment over the long term, so we'll talk again about cost in a minute.

Some other folks said well, there are a lot of visitor vehicles on the island. How can we reduce the number of those vehicles and also reduce congestion on the roads. So there's a local company who has proposed something similar. So these are some of the property types they've looked at and they wanted to see what...how many properties are there on the island. A lot of these properties, before I get to the vehicles, a lot of these properties, the hotels have already gone green, they've frankly been industry leaders. There's a group called the Green Hotel Association which...on the mainland, I believe also in Canada and Europe, have...they share lessons learned on how they can reduce water consumption, how they can reduce energy consumption, so I'd encourage local hotels and B&Bs to join this association to learn more about how to further save energy and water. But to look at how people get around to and from those visitor destinations and also hotels, if we can somehow reduce the number of cars on the road with an hourly, kind of an as needed visitor vehicle rental program, they should reduce road congestion. And in my mind, we want to...if we support that, the kind of supports that we want to give alternative vehicles and fuels a higher priority, give them preference. And if we can meet, you know, visitors at the hotel with a nice green vehicle, if we can get them around...make it...make their stay more convenient here, we could actually increase their aloha experience. So I think that's always vital to the economy and to, you know, people wanting to come here. This is a list of benefits. I won't go through all these, but this is from the...a local group who kind of thought out, you know, what the benefits of such a program would be to the guest members, to the hospitality partner they called it, and to the Hawai'i...the company themselves.

So if we're looking at different ways we can get biofuels into the economy here, on top I show... This slide, by the way, is from the Hawai'i Bioenergy Master Plan. The top half with circles talks about the ethanol pathway. So we start with, you know, sugar cane and sweet sorghum, and through well-known processes we can make ethanol.

So if also look at how we can make biodiesel, there are two basic ways to make biodiesel. You can plant an oil crop and then, you know, harvest those crops and get the oil out of them or you can also plant a variety of biomass crops here and through different processes, including gasification here, you can make a synthetic gas, which is very much like natural gas, and with that you can make more ethanol if you need it or you can make biodiesel or you can combust that and make electricity. So I think because of the scale here, Kaua'i is a great place, it's not huge, so I think we always have to think about scale. I would suggest we would pick one biodiesel pathway and it is a biomass to liquids pathway to get to biodiesel as needed. Very technical, feel free to talk to me later about some of these if you need to.

On the small scale, though, a lot of folks said, well, what can small farmers do or how can they raise some energy crops to get them back to more...to better economic prosperity. So there are some crops that can be grown on marginal lands if it's not prime ag or prime energy lands including jatropha and I've got a picture of that here. They can also do other oil crops. And let's say if small farmers and let's say these agricultural condos, if they have some crops they can harvest on a neighborhood scale, if they can share a press they're called and these are multi-crop presses, so you can put a variety of these oil crops into them. And I've talked to folks and they think that about a hundred gallons a day would be a good test size to do that. So these presses, we found some prices from—I think they're imported from China or India—they could allow five different neighborhoods to try this small farmer, you know, straight vegetable oil process and SVO (straight vegetable oil) is the step before biodiesel. You can use SVO in mini engines for off-road vehicles right now. Ideally, you know, KIUC, the utility, could take the same SVO and burn it in their generation systems. You know, Janine Rapozo said, well maybe the...an old bus we could try using this SVO on an older bus that's...you don't have to worry about the engine warranty anymore. So I think that's...there's some natural synergies there on how we can revitalize small farmers...the industry and also, you know, kind of press ahead...press, you know...press ahead on the techno...technological front and what you can do with the straight vegetable oil.

So this is kind of a side note. I've got several of these as we go through here. Algae to liquids, I think, would really revolutionize how biodiesel or straight vegetable oil or algal oil actually is produced. Fairly conservative estimates are saying 3,000 to 5,000 gallons of biodiesel per acre could be generated...could be produced and that could meet, I believe in near term, let's say in the next 10 years, so it could totally meet Kaua'i's diesel demand and also maybe electricity generation demand. There are other estimates saying you can get up to 12,000 gallons per acres, so it's quite a range, but it seems like a very promising technology and resource. In the meantime, I've got some other kind of high tech pictures here how as this industry is developed, it'll bring many new high tech farming jobs to Kaua'i. And I mentioned the Department of Defense here. They've plowed a lot of money into research development for algal bio-oil. This slide shows some of their estimates, you know, up to 5,000 gallons per acre. So, they think it's going to be cost competitive. So not necessarily would the Department of Defense, you know, provide Kaua'i with biodiesel, but the industry itself would be, you know, it will progress enough to make it commercially available to other purposes, including you know diesel replacement.

So the next recommendation is to increase renewable fuel production and use. Let's go and look at if we have a large supply of ethanol and there are some large projects that were going to produce that, let's make sure we have demand here, so that ethanol can be used locally. So, the PacWest deal we've probably heard about could generate 12 to 15 million gallons per year. That could meet the current E15 mandates on Kaua'i and also fuel up many other gasoline and ethanol flex fuel vehicles. Flex fuel is a term that has been used in Brazil where you can use both ethanol and gasoline. They're also using pure ethanol now in Brazil, so I think there are many lessons learned we can take from the Brazil experience. They've also done a lot of R&D on high compression engines, so they can approach the efficiency of gasoline even though the BTU content is lower for ethanol than gasoline. And we've found some inexpensive conversion kits that will let regular gasoline engines be turned into flex fuel engines that can also run on ethanol. So this is a...it's a point that's...it's...I've talked about it in the past, but I wanted to illustrate some real...with some numbers how commodity cost, oil in this case, can make a real difference on costing for the average citizen on Kaua'i. So this chart

shows the Department of Energy annual energy outlook saying over the next 20 years, from 2010 to 2030, oil commodity will double in price. I don't know if that's true, but I would guess it will go higher. So if we take about half of that and said 3 ½% per year, which is what that would equal out to on an annual basis, if we look at just 2% increase per year, we can tell where it's circled here, the biofuels, if you can make it...if you can produce at the same cost right now as the fossil fuels. It stays a little steady, adding 1% inflation to that. So, you can see what happens at 2% as fossil fuel...as oil gets more expensive what happens to gasoline prices, let's say. It would go up to over \$6 by 2030. What, however, would happen if it's actually, if DOE was right and they're not always, maybe not very often, what happens if it goes up to 3 ½% per year, oil commodity increase? Again, no difference, not much difference on biofuels. On the fossil fuels, though, it would get up to over \$8 per gallon. So again, I wanted to illustrate this better, instead of me just saying this, here' some real numbers on what the future could look like and how biofuels and real energy in general is probably a very good investment for Kaua'i and, you know, for a lot of people obviously.

So, switching from biofuels to renewable energy, we can also use electricity to charge up electric vehicles and plug-in electric vehicles or hybrid vehicles. I talked to KIUC, they agree that nighttime biomass and hydropower can be used to charge up these vehicles. They also need to increase their charging infrastructure, make it more adapted to charging at night with these vehicles and also if energy was needed the next day, let's say to do some peak shaving, those vehicles could be used as, you know, a battery system which could be fed back into the grid to do peak shaving. So I think it makes sense to offer incentives for PHEVs and we also found again very inexpensive hybrid electric vehicle to plug-in hybrid electric vehicle conversion kits. These vehicles are up to 50% more fuel efficient and therefore will cost about half as much to operate as a regular internal combustion engine, again saving a lot of money for our everyday citizens. It's not brand new technology. Austin Energy's been working on this for quite some time. They've run some pilot projects and then some modeling. In their particular situation they can use...they can charge up to 100,000 PHEVs with their off-peak energy and they've actually demonstrated with some Priuses as shown in this slide.

Again, I would never push any kind of, you know, scientific or science fiction technologies. We look at very commercial technologies. So just came out this week is the Nissan Leaf and it goes...I'm a car guy. It goes from zero to sixty in 10 seconds, not too bad, I don't think, for maybe a 100-mile range. The typical range, I believe, on the mainland is 13 miles. It could be actually less on Kaua'i. So if you have a 100-mile range, I think any kind of worries about running out of your charge is pretty minimal here. So you can charge it up at night over eight hours with a 220 volt charger and battery...the battery technology has gotten so much better. They weigh a lot less. In fact, they're now down to the same weight as the internal combustion engine, actual engine, drive train, and gas tank. They're competitively priced, about \$25,000 after federal incentives, you know. So, you know, folks can buy new ones or obviously wait until they're used and get them a little cheaper. Interesting to you, for the visitor industry, they...Nissan has made a joint commitment with Hertz, the largest, you know, rental vehicle company, to bring these vehicles to the U.S. and your market by 2011.

So what about cost? What are we going to do with this...if we raise some money with this 2% fossil fuel tax? So I go through each of these recommendations, put a price tag on them, some details here in the middle, recommendation on the left. Total cost is around \$42 million. I believe we raised \$43 million with the fossil fuel tax, so they would...basically it's a net zero sum. Lots of details here to be in

the full report. Any questions about the cost? I know it's a...obviously it's an issue you want to definitely get a handle on. Any questions or should we go on with that? Again, it's a far less amount of money, but we want to focus (inaudible) kind of high priority, high impact, high return projects here, which would really reduce demand and get people using ethanol, biodiesel and straight vegetable oil.

If the...if Kaua'i does not want to do the 2% or any or any kind of a flat or percentage based fossil fuel tax, we've developed this...I call the alternative ground transportation modes and fuels model, which will let folks enter indifferent tax amounts and also would tell you different allocations, how much you'd raise, how much different things would cost. This is a very complex model. I probably bored George to tears with it, going through it for about three hours one day and some other of our EPAC members. It's a very complex model. The bottom line is it will let folks see what can be done with different fuel tax amounts. You can change it to different parameters as time goes on if you want to change the amount. Again, if you want to do a flat tax or a percentage-based tax, it'll let you do that. It will also calculate how much it would cost to do these difference incentives, (inaudible) what the payback is, so all kinds of outputs from this model as well.

Any questions on ground transportation or should we go on to electricity? Okay.

The first recommendation is to decrease electricity demand. I'm suggesting we divert 7.5 or 7-1/2 % of the existing KIUC franchise tax to enable the county, Kaua'i County, to lead energy efficiency initiatives. This 7% diversion and...by the way, the KIUC franchise tax is now...it's 2.5% on KIUC's gross revenues. If we divert 7 1/2% of that 2.5%, it'd raise about \$255,000 per year and that's enough to hire two folks for the county and I would highly recommend we have an energy manager. They would take on the responsibility or manage the responsibility of ESCO work with energy savings performance contract projects, enforce the recently adopted IECC (International Energy Conservation Codes), make sure that new construction and even retrofit projects meet that code. It would also engage with DBEDT at the state level and the PUC on different policy mechanisms.

Secondly, a facilities specialist would manage the actual building retrofits, work more with the ESCOs on a, you know, project basis. That person could also assess new energy savings technologies. There's some real promising ones out there including Internet based energy management system that looks very promising and it saved different retail stores around Europe and Mexico up to 25% energy savings. Some quick examples, we touch on this briefly, the energy managers to enforce codes and standards, again IECC 2009's been already adopted. The exact savings, we tried real hard to get exact data on how much these energy efficient measures could save over time. I think the county might have to dive deeper into that to get actual data, but, you know, if the ESCOs are doing it and they think they're solid projects and the codes and standards are solid, you know, metrics, it'd make sense to go and do that and save energy. Something the facilities specialist could do is assess energy savings technology such as pumps and water pumps and different technologies for the department of water. They're currently the third largest energy consumer on the island. They, I believe, could save some money with variable speed or frequency drive pumps, auto-start technologies, off-peak pumping and other controls to save energy and water. Additional gains could be gained from ensuring pipe integrity. I understand there could be some leaking pipes around. And the county and KIUC and different solution providers could...can engage with DOW to assess those...that opportunity.

Recommendation 6.2 on electricity again is to increase large scale renewable energy. I think it makes sense to increase this...KIUC's franchise tax by 30% to facilitate what I'm calling an open source, which I borrowed from the Internet's world, an open source project development process. Early recommendations of mine and the team's focused mostly on feed-in tariffs as the price or mechanism. I've come to understand I fully accept this as far more than just a price. It's also, you know, how the community will...will react to different proposed projects, how you mitigate the risks of these projects, what the environmental impact statements are going to dictate and it's the whole process rather than just the price. And as I understand, the, you know, the couple projects which have run into trouble here recently...very recently, so this is kind of an open source project development process could actually, you know, facilitate and move those projects forward by making them more bankable at an earlier date and reducing the risk and the cost to the investors. So, again, this...KIUC's franchise tax gets 2.5% of gross receipts from KIUC. If we divert...if we actually increase that by 30%, we'd net about a little over a million dollars per year, if you looked at 2010 gross revenues. So, keep that in mind, if you would, about a million per year and we'll come back to that in the costing. So some examples of this open source project development process could include getting early community engagement, what will the community tolerate. I understand when wind was being proposed, you know, the community...some people thought, you know, wind towers are ugly. That's something to think about. Maybe the community doesn't want to have the noise from the wind or they don't want to have CSP panels reflecting, you know, with mirrors, they don't want reflecting light into PMRF space. I mean all these kinds of things make sense. When you're talking about KIUC and how developers work together, I think it makes sense to really drill down some nuts and bolts issues and have developers bring a data checklist to KIUC so KIUC doesn't waste their time in looking at projects which aren't fully banked, which don't have all the data, you know, in one...in an orderly manner presented to KIUC. Another...and KIUC should share their grid data, what the load profiles look like on...for generation and supply, with the developer. So, again, the whole negotiation process of a power purchase agreement is shortened and made more...the project's made more bankable. And I won't get into all these, but again, something to think about of instead of feed-in tariffs, I am suggesting we replace that one particular mechanism with a price target, sustainable electricity price target. And these rates would be...these targets would be based on the same kind of feed-in tariff process, but it wouldn't be held to that. Again, that would allow the power purchase agreements to reflect site specificity. So if you're looking at a solar project on the eastside, it's going to be far different than the, you know... east versus west would be far different. So, this target is a starting point...the price target's a starting point to start the negotiations. If someone's asking two times or three times what I think is a reasonable price, it will...someone will know that there's a...you kind of renegotiate those...those costs.

Other example could include environmental assessments. You know, if someone is going to damage...I don't know...if you're looking at something in the water, let's say, and you go into humpback whale protection areas, we could rule that project out very quickly. On the interconnect side, where you connect the projects to the grid, I think we should do a very reasonable and non-redundant interconnect study, so developers don't waste their time and money doing these studies, which may have already be done...have been done. Open book negotiations on the power purchase agreements, I think they are just key and KIUC's on record saying they actually have done that and they prefer that. That makes everyone open up their books so there's again time and money is not wasted by, you know, kind of negotiating in the dark here. And if we have a project that's going to meet

these sustainable electricity targets within a reasonable price, I think we should give them higher priority on the project permitting side. So, as it turns out, my company's actually worked with DBEDT to come up with different resource guidebooks, permitting guidebooks and also that we drill down to the county level. We're so glad to provide those to the county as needed.

So what are these targets? We set some electricity capacity or energy targets. And capacity is just a way for looking at megawatts of potential energy versus energy or electricity output of...you have the time element. Like if they operate, you know, 40% of the time, you get your electricity in gigawatt hours. So these are the actual targets. I won't go into details, but the short story is about 620 gigawatt hours, I think, will be needed by 2030. KIUC has numbers a little bit higher than that. I think with certain demand reductions initiatives though, 620 is about right. So, I had earlier had hydro at quite a bit higher. I've now got it down to 22 megawatts at capacity, so I think that's probably a very doable target now. And as we start looking at these targets over time, KIUC will need to align the actual generation, the load profiles and supply profiles and, you know, to meet the needs...the exact needs of the grid and the end-users and match those up with what the different project could supply.

We're back to seeing this chart. This is the ethanol pathway and this is the...my recommended biomass to liquids pathway for straight vegetable oil or biodiesel. I think it makes sense because again a scale to look at this one pathway, biomass to liquids to get biodiesel or you could again get energy. Right now KIUC's got a lot of assets in diesel generation, so we could just supplement or replace diesel with biodiesel in the near future. Excuse me. Interestingly, some of these changed from the last set of recommendations. There are some companies...some local companies in the state who have very developed technologies which will take a variety of feedstock, Leucaena, different kinds of trees and different kinds of grasses as well as municipal solid waste, run them through a gasifier to get this synthetic gas—we talked about this earlier. Again with the synthetic gas you can get biodiesel, you can get ethanol, you can get electricity. So I think this one pathway is going to meet a lot of different people's needs. It will reduce the risks and use a variety of inputs and give you a variety of outputs, kind of an adept level. Let the market dictate what the most cost-effective use of that syn gas would be.

Wind is still on hold, so I'll...we've probably gone through this, you know, maybe too much, maybe not enough, I don't know, but there are federal regulations. They seem ironclad, which right now are really slowing down or killing, at least large wind, on Kaua'i. And I'm a wind supporter, just for the record. I think it's a great technology, but don't know how to get around these federal regulations.

Pricing targets, I worked with KIUC on these actual price targets. Again, it's a...very similar to the feed-in tariff price rate structure. So if you look at the actual generation cost...LCO is levelized cost of energy cost. They differ by technology obviously. If you return...if you're guaranteeing a return on investors' investment, I think it makes sense as far as a risk mitigation, so I'm suggesting you look at 15%. I've actually heard that many investors would be happier with something even lower. I picked a team from talking to folks in Europe, where this is actually working quite well. And then if you look at this, besides let's call this the generation cost in these first two columns. The non-generating costs are what it takes to manage the electrons to keep KIUC, you know, in business in doing the day-to-day operations. So on the right are different...the full electricity rate that we charge to the consumer in cents per kilowatt hour, what you see on your electric rates, electric bills, and these are averaged by each technology. If you look at the

weighted average...if we met all of our targets at these different prices, the price turns out to be about 32 cents per kilowatt hour. I know in 2008, I believe folks were paying about 49 cents per kilowatt hour, so I'm suggesting that you invest in renewable energy, kind of lock in at 32 cents per kilowatt hour, you're hedging your bets against oil price run-ups in the future. That's...that would be my (inaudible). So again, to illustrate this point, if you look at again, this Department of Energy forecast double in 20 years, which is 3.5% per year. If you take a more conservative estimate at 2% per year, in looking at electricity from renewable energy versus from imported oil, after about a year, what is that eleven, ten, eleven—renewables are actually cheaper. So again after ten years, renewable energy at 2% oil commodity price increase, renewables are a good investment after ten years. Again what if DOE is actually right and 3.5% per year is the actual commodity price increase after what is that? It looks like seven years. Renewable energy is cheaper. So I hope this gets the point across a little better than perhaps my words that, you know, investing in renewable is going to cost more money up front, but in the long-term I believe it's a good investment.

So we talked a lot about decreasing demand...electricity demand and how we can get more large scale renewable energy onto the grid or distribute the energy, smaller onsite systems if it's photovoltaics or let's...maybe microhydro. There's a new bonding, financing mechanism started in California called PACE, excuse me. It's called the...it stands for the Property Assessed Clean Energy Bonds. They will allow homeowners to pay for distributing energy projects through their property tax bill. Now Kaua'i has already got a very high percentage of photovoltaics, 3.8 megs on an 80-meg grid. It's the largest per capita rate in the country and I don't know if folks realize that or not for...if folks, you know, are given credit for that, but that's a very large percentage of PV for a fairly small grid. But we can go further. Kaua'i can participate in the PACE Program either that the state runs or they could have the county run it themselves to increase photovoltaics, microhydro and why not throw in energy efficiency projects. And as I found out from DBEDT on the state level, there are some microhydro companies that already have...their offering up their own capital to develop projects on Kaua'i. They see the potential, they're willing to finance the projects themselves. So, lots of recommendations, what would they cost?

I go through each of the recommendations, the diversion and the franchise tax. I'm saying this could be an exist...a temporary diversion of the tax, actually for two or three years until we've permanently increased the franchise tax. If we...either way, if we can get about \$250,000 that would allow the hiring of the Energy Manager and a Facility Specialist, run...I think, managed by the Office of Economic Development. We would then need to work with the Hawai'i State Legislature to permanently raise this franchise tax and that is the state leg we need to deal with elected officials there. On the open source, you know, project development, you know, process, I believe we need to hire a renewable energy project facilitator much like DBEDT has done and (inaudible) Josh Strickland's been very effective in getting more project pushed through on the state level. I think we need to do the same thing on this county and put in a sum for that hire. I think we also need to do many more environmental impact assessments as we talked about earlier to again see what projects might fly or might not fly considering impacts...environmental impact. So I put in a sum for that annual, you know, hiring sum. I believe we would also need to fund what I'm calling the sustainable energy team to do...conduct...to conduct community outreach...to engage the community, see what their priorities are, much like we've done in this process, to see what will be tolerated, what the priorities are from the actual community. We've got a sum in...in there for this hire, sorry, for this...this hire. Actually, it's

for the whole committee. We'll talk about this...this is the same energy team...in a second. It is frankly modeled after what the Big Island is doing and also the Maui Green Team, I believe it's called. So other islands are doing something similar, so I believe it's a good model to look at. I recommended earlier we remembered about a million dollar (inaudible) which we could raise by the KIUC franchise tax. We would expend nearly that same amount. Again, we want to make sure those totals nearly match up. So those are the recommendations, just three, I think fairly simple ones on electricity. Again, KIUC's got some...they've got a good head start on some of their resource assessments and some projects. They need help, though. We need to...I think the community of investors...the investor community needs to work with them. I think this open source process will really, you know, have a...yield a far...a far higher degree of transparency and community buy-in, I would think, to doing more large scale renewable energy.

So, you know, a lot of folks have asked, well, how would this look on the implementation side, like what now? What happens after you, you know, turn over these recommendations? My best guess is and...fairly educated maybe guesses would be that there would be some debate at the county council level and probably by the mayor's office. At some point actual legislation would have to be crafted and adopted. We need to work with finance to actually levy the taxes. I need...I should probably add to this list, you need to work with the state to...to get this...KIUC's franchise tax increased, and then set up a sustainable energy team to make sure the actual process keeps going forward and more details on that. You have to be coordinated, I think, in a fairly, you know, straight-forward manner by, for example meeting quarterly to ensure progress. I believe it should report right to the mayor's office. It could be funded by both this county fossil fuel tax and the KIUC franchise tax, which we talked about earlier. I think again to ensure objectivity, we need to be professionally facilitated by a third party. Its actual structure, what I recommend is we have an executive committee that is core and this committee would track funding and expenditures, set the basic course for implementation, and conduct some outreach as needed. The members could include, I think this makes a lot of sense, to take into account, you know, vested interest from the county office of economic development, KIUC themselves, and existing EPAC and this a great reservoir of institutional knowledge and that's the Energy Plan Advisory Committee that's done a great job to date. Beyond this executive committee, I think we should have a topical issues committees that, you know, are formed and disbanded as needed as different issues come up. These committees would assess information on special topics and make recommendations to the executive committee. The participants could include KEDB, the Farm Bureau, environmental groups, Kaua'i Community College, investment community, DBEDT itself, auto dealers, refineries, developers, landowners, etc. I think rather than being very prescriptive, I think it's good to leave it open and frankly let the county kind of figure out exactly how these committees should look.

Examples of actual issues that could be addressed fairly soon, I would think, is this very important ag/energy nexus. What happens when you look at the food (inaudible) debate? What do you do with the land? How do you make sure you're getting the most out of your land? What if you have 20-year leases that are renewed, but then you have after five years of that and you want to expand it to have...you know, to double your capacity when you have only 15 years left. How do you deal with those leasing issues? And this touches on land use and zoning. Outreach and education, there's a lot of good stuff going on with these recommendations, but I think still the community has to understand what we're recommending and how it can really benefit them. What it will cost them and what will benefit them. We talked about the alternative ground transportation modes

and fuels, same with the electricity targets and prices. We talked about the open source development process and we also, let's say we moved forward on all kinds of renewable energy and fuel projects. We have to make sure that there's a work force behind it to take care...to maintain and operate these technologies and to make sure that they operate efficiently. So again, outreach, I touched on that. I think it's vital. Some new stats I don't think the council has seen is I looked at what local dollars...what energy dollars are spent locally here. So, DBEDT tell me that in 2009 Kaua'i spent \$56.7 million on imported oil. Thirty-six percent of that was for ground transportation equaling about, you know, \$20.5 million in 2009, 43% for generation about \$24 million. So, I don't know what percentage. I've heard guesses of about 75%, but a lot of this money could be kept local if we had locally generated electricity and ground transportation fuels and energy. Some new stats too come from the office of management or budget. They estimate that probably 92,000 in renewable energy. One job will be retained or created. My earlier calculations show that 1.5 billion...we need...need to be invested in over 20 years to get...to meet our goals. If those goals are met...if that amount of money would be expended over 20 years, about 16,000 jobs would be created or retained and that's just on the...on the electricity side. This does not take into account the ground transportation side including the biomass to liquids and algae to liquids, vehicle maintenance, etc. from the HEVs and PHEVs. Obviously another benefit of sustainable energy is a cleaner, healthier environment. Could become...Kaua'i could become a model of sustainable living for the world. Obviously less dependence on imported oil and as my graphs, I hope, have showed...have shown, I think it's a very wise investment, so again, saving money over time. Lots of ideas and numbers and perhaps questions have been raised. Here is contact information for me and for my partner, very hard working partner, Diane Zachary from KPA. Feel free to contact us. At this point, I believe these are the final recommendations and as George noted earlier, this is still just the beginning of a process and it's basically up to the county and to, you know, stakeholders what happens next. So, again, I thank you all so much for your time and energy in helping us to address these issues.

(Note: Chair Asing left the council meeting at 10:50 a.m.)

Mr. Hinrichs: To the council, do we take questions or wait for the chair to come back?

Mr. Furfaro: No, no, I...the chair has excused himself and so I will run the council meeting at this point before we take any comments from the public or (inaudible) you. I just wanted to give a little overview of what I think the plan is from here, so that you can comment on as well, as well as Diane. But I would hope that as we go forward today and we receive this plan, this plan would be resurrected in the form of a resolution. That resolution would be surfaced and create a policy statement from the council to the mayor. Then I would hope that in that resolution that I would hope to introduce, we would organize a couple committee chairmen on the following areas: myself as planning along with Mr. Kawakami on energy. We would try to set up a separate discussion with KIUC to merge those pieces. I would hope in that resolution then I would be able to also ask Mr. Chang and Councilwoman Kawahara to meet with our transportation people in particular as it relates to transport and economic development, and another committee on finance and taxation as we have some draft bills that indicate what might be some incentives for energy companies to look towards the use of agricultural property, keeping it in energy, but also having an opportunity to, you know, look for a fixed ag taxation base until such time that the incentive would be to have a return on the investment for those investors, and then also as it comes to the state needs to address the state legislature, I would ask in that resolution that a

presentation be made by Mr. Kawakami whenever he could get on the HSAC Council so that, you know, we can share with the other counties what we have plans for. So, you know, that's just a rough idea of how we would approach this with other groups or operations that all are stakeholders in this. So I would be very specific about moving to receive this today with the intent to create this resolution, asking that these next schedule of meetings happen and of course include Mr. Costa from economic development. I just wanted to share that up front with everyone and Mr. Chair, I can give the meeting back to you as we haven't started with any questions directed at Doug or open to the public.

(Note: Chair Asing returned to the council meeting at 10:53 a.m.)

Chair Asing: Okay. With that, councilmembers, any comments, questions for Doug regarding the presentation that was just made? Councilmembers? Councilmember Kawahara.

Ms. Kawahara: Thank you. Thank you, Chair. Doug and George, I just wanted to thank you for working with me and educating me and also adding the...some portions of the visitor industry into the plan. I do understand that the visitor industry is probably well ahead of the government, but I think we can learn a lot from what they're doing especially because of the scale. So I appreciate you reaching out and asking them questions and helping it...get that information back to me.

Mr. Hinrichs: My pleasure, thank you.

Chair Asing: Any other questions/comments, councilmembers?
Councilmember Bynum.

Mr. Bynum: Thanks for your presentation and I ha...I made several notes, so I'll just go down the list. First of all, you know, your recommendation... Well, first I'll start with a comment. I like this plan better than the draft, okay. I appreciate the work and the changes that were made. I expect that your recommendations would push the envelope because, you know, you've made a pretty strong case. So that's what we need to do if we're not going to have things just happen to us. We have to make things happen, right, you know, and I think some of the areas you're encouraging us to push that envelope are more realistic than the first one, so I appreciate that.

Mr. Hinrichs: I agree.

Mr. Bynum: You know, but there are...these are still very significant changes if we make them and coming in a very difficult time to contemplate fee increases, tax increases, new positions, that kind of thing. And I...but I don't want to diminish it to say because, you know, this is a long-term issue and we can't just make decisions based on, you know, our current fiscal constraints. And I think Mr. Furfaro's made it clear that, you know, that we do want to proceed with moving forward, you know, systematically to address these issues. So that's kind of an opening comment, but you've made some very significant policy reso...recommendations including adding positions, writing legislation, tax and fee increases to accomplish some of these goals, and you were working with economic development. My first question is, from the administration, are they...do you have buy-in and endorsement from the administration on any of these proposals?

Mr. Hinrichs: George, can I ask you to comment on that? It might be more appropriate.

Mr. Costa: Yeah, Doug and I met with the mayor yesterday to present what you've all seen today and like you, appreciates and agrees with the revised plan and the presentation right now. Obviously, we're going to need to take a little bit more time to digest everything, but on the onset, the mayor was very pleased with what was presented today or yesterday.

Mr. Bynum: And I ask that, George, because together we can. The only way these very significant proposals are going to happen is if we have the administration's recommendation and on-board and we can carry a majority of the county council, you know. And so, you know, going forward, just pragmatically, if the administration is, you know, not willing to entertain these specific proposals, you know, we should focus our energies on the areas where we can come to consensus. So, you know, and I think if I'm a community member, I'm asking those questions: Is the mayor endorsing this position? Is the mayor endorsing this, you know, fee increase or this diversion of fees from one source to another? And I don't expect those answers today, but I think that's where we start. You know that...where...where are the areas where we want to move? And...so you feel confident that the work that Doug and the committee's been doing has been monitored by the administration and you don't have any major objections to any of these proposals at this time.

Mr. Costa: Right, not that I can see. And...and I agree with you, you know, it's the first steps and, you know, from the county, we've actually taken those first steps with the energy efficiency performance contract. Glenn Sato is putting together an RFP process to contract ESCO companies who come in and look at the entire county operation. We had an energy performance contract on, I believe, ten years ago and initially the same goal...we had hoped to attain the same goal by incorporating all of the county facilities and operations, but as it turned out, waste water and water were so large that they weren't included. This time around we're going to include that because they're the major consumers of energy. So, we've already taken those first steps working with the cost control commission because they also would like to have monthly updates on the progress of that. So obviously, they want to see instead of just the plan, it actually coming to fruition, so. With that...given that, we're working on the first steps.

Mr. Bynum: Okay, thank you and while I...while you're up there...yeah, I've lost it, but yeah, I have other questions for Doug.

Mr. Costa: Okay.

Mr. Bynum: Thanks, Doug. And then, so I'll just start with some of the highlights. You know, obviously there was a strong reaction from myself and others to a 50-cent gas tax. You know, that just kind of was a real shocker for a lot of people and what you're talking about now is more in the range of 7 cents, and that's still, you know, I'm sure that reaction will be whoa, wait, you know. But we all experienced that already, big spikes in our electric bill, big spikes, but it's something that happened to us as opposed to something we chose to do to be better prepared for the future. So, I think this, you know, still pushes them a little, but it's more in the range of...it's something that we can actually start to think about.

Mr. Hinrichs: It might tolerable pain, correct?

Mr. Bynum: Yeah. Well and those are questions we have to ask our community too.

Mr. Hinrichs: Sure.

Mr. Bynum: And how sophisticated are we...so, but being specific about a lot of that would go into bus. You know, we've had a really great increase in ridership over the last few years and showing the need and our transportation agency's tried to expand routes and services...

Mr. Hinrichs: Twenty-four percent in the last two years.

Mr. Bynum: Twenty-four percent in the last two years is pretty...

Mr. Hinrichs: It's amazing, yeah.

Mr. Bynum: ...pretty dramatic and in my view, that's happening for two reasons. One is people are choosing to use the bus. They're choosing because they're concerned about the environment; they're choosing because they want to reduce their cost because...you know, if you're commuting on the bus, you're saving a lot of money.

Mr. Hinrichs: Sure.

Mr. Bynum: You know, if you're a two-car family and you can go to a one-car family, I think we, as Americans, are all in denial about the cost...our transportation cost. And so, but the other reason that's happening is because people who have no other choice, that the economy has already eclipsed them, they can't afford the car, the gas, the insurance and they're dependent upon the bus. And for that reason, some of the, you know, areas that we can expand, you know, I for...speaking for myself, I've been advocating extending hours into the evening and the weekend, fully realizing that that's not going to have a big return on energy savings and consumption. But because a segment of our population is now dependent on that transportation, without extending those hours, they can't be equal participants in our community. They can't get to the meetings we might have about this. They can get to them, but they can't get home, and so that...extending hours becomes a social justice issue and I just wanted this opportunity to say that's where I want to see the next expansion, even though it will hard to show a cost benefit analysis. Do you agree with what I'm saying?

Mr. Hinrichs: I totally agree. I mean what is social equity worth? You know, it's hard to put a number on it, but it just makes sense. I mean at some point you have to do what makes sense, what feels right. You know, we start out looking at what is sustainability. You can look at it as just energy, you can look at it as environmental, you can look at it as social. So, it's also about quality of life and enhancing the...it sounds corny, but enhancing the human experience and being fair about it.

Mr. Bynum: And we have a huge agenda today, so I want to assure my colleagues I'm going to be done with this in just a few minutes.

Mr. Hinrichs: Okay.

Mr. Bynum: I'm not going to discuss everything I'd like to discuss.

Mr. Hinrichs: We can talk later.

Mr. Bynum: The...but I will say that I really like the concept of the green vehicle as needed for visitor industry in particular. We are losing a market share, you know, of travelers who can't drive or can't...or choose not to by not having shuttles to Po'ipū for instance...

Mr. Hinrichs: Right.

Mr. Bynum: ...not having vehicles available. A lot of visitors are renting vehicles that sit in the parking lot for the four or five days that they're recreating in...

Mr. Hinrichs: Exactly.

Mr. Bynum: ...in and around Po'ipū. And just to have that vehicle available for the one or two days they go north or west and travel. And so, you know, one of the things I've been trying to share with the market...with the visitor industry and I think many of them are aware, we're missing a market share that we could get.

Mr. Hinrichs: I just might add, it's really a...it's a well-proven concept in Florida. I think other places too, but in Florida it's working really well.

Mr. Bynum: Right. So there's a win-win in terms of the environment and also the economy to provide those transportation alternatives for visitors. The...some of the recommendations specifically related to water, have you...did you have discussions with the water department?

Mr. Hinrichs: Back when we were doing the stakeholder and public meetings, we had one...they looked at just government and DOW came to that one and KIUC was there and also they had had some discussions about water use and I've talked to, you know, I've talked to a lot of people who said it's definitely an issue, we should look at it. So, I think if the county has the resources and I believe they should, they should look at that real quick.

Mr. Bynum: And then...I'm trying to go quickly. And you've met with KIUC regarding this recent recommendations or?

Mr. Hinrichs: I've...I've been meeting with KIUC, you know, pretty frequently and exchanging emails with them very frequently, so yes, short story, yes.

Mr. Bynum: Because there's obviously such an integral...into this whole segment of this that, you know, I'm hopeful that we will have dialogue with KIUC and solicit their comments about the recommendations that you're making. You know, if they're on-board, if the mayor's on-board, if the c...majority of the council's on-board, some of these things can happen. But if any of those players are resistant, it's going to be very difficult.

Mr. Hinrichs: If...just...I'd like to interject. If we think back to our kick-off meetings and I think everyone at the public meetings, probably the stakeholders meetings that I participated in, (cleared his throat) excuse me, we talked about finding that common ground. I think we almost found it here. I tried to think in general, lots of different positions and interests and I think we're close.

Mr. Bynum: Okay. I still disagree with you taking wind, both utility and small scale, out of the picture completely. You know, we have large scale wind in the State of Hawai'i and you know, people that are currently pursuing that, that believe they can address the habitat conservation issues on the utility scale and you know, I think it's doable and even in the conversations with...with endangered species advocates, there are small wind systems that they will endorse right now today. There's some that they don't like, but there are others that they say, hey, this...this is not...it doesn't have impact on birds and so as I'm regrouping on that issue, I'm...I'm looking at what they can endorse as an option because in your discussion about pace, you know, the state discussion fully included small wind as one of those alternatives. I noticed its absence in your presentation, so I'm upset about that.

Mr. Hinrichs: Yup. You might know, if I could interject again, that I say it's on hold. I mean, I would love to see it happen if...if there's some balance between the wind and the birds and the endangered species.

Mr. Bynum: And I believe that balance is obtainable and so...

Mr. Hinrichs: Some federal agencies who don't...who haven't got that...to that point yet, so.

Mr. Bynum: Right. I want to say that overall, you know, what you're really sharing with us is these...there are increased costs now.

Mr. Hinrichs: Right, right.

Mr. Bynum: And depending on how we do this, there...as a breakeven point in seven to ten years, but that...you know, it's tough for people...you know, we tend to live our lives in what's today...

Mr. Hinrichs: Sure.

Mr. Bynum: ...and I just can't take that increase now and you know, and that's the big overall question here. Where is that scale? What kind of increase costs can we sustain now? Are we willing as a community to do in order to provide that sustainability over time and reliability over time. You know, and unfortunately, even as a state addressing some of these same issues, it looks...the last I checked, it looked like the barrel tax may pass, but they're going to divert the...the resources away from the...from, you know, energy to meet current critical budget needs, right. So, it is, you know, I want to try to not keep my thinking too short-term because in the short-term I'm like, hey, if we have to increase revenue, it's just going to be to provide a basic standard level of services to the community right now. So, but...but that's thinking about this budget here and I know that none of that's going to happen immediately, but it's really about increase cost now to decrease cost later. But I think the other part of that is to give our sense...you know, some sense of control over our own destiny and fate.

Mr. Hinrichs: Self-destiny, absolutely.

Mr. Bynum: Because if...you know, if a country in Latin America has political unsta...instability tomorrow, it can impact all of our pocketbooks within weeks and so, being able to predict and have some assurance into the future is also a benefit of trying to take our energy future into our own hands. And as you mentioned, the jobs benefit. You know, that's a pretty staggering figure, \$56 million a year leaving our community and going...you know, and some of that could be fueling jobs and the economy here, so.

Mr. Hinrichs: Absolutely.

Mr. Bynum: It's also very interesting that your plan is so large on ag and biofuels, which may work good for Kaua'i, but. So my last question...

Mr. Furfaro: You sure?

Mr. Bynum: Because it's a...yeah, yeah. This is like six minutes, I'm doing good. It's...do you have any news for us about the status of the PacWest project? Is it still viable? Does it look like it's going to happen because it's integral to what you're recommending.

Mr. Hinrichs: You know, I...I frankly hear...hear a lot of things and I probably shouldn't speak for anyone. I do think the...the biomass part is...is very solid and I think they would still like to do ethanol, so that's about all I know for sure.

Mr. Bynum: Okay. Thank you very much.

Mr. Hinrichs: Thank you, Tim.

Chair Asing: Any other question? Go ahead (inaudible).

Mr. Furfaro: It's more as a comment. Mr. Bynum, I appreciate all of those particular questions and you pointed out and seemed hungry for additional information. But I want to go back to, you know, my comments about a resolution that talks about an implementation policy and although I won't mention individual councilmembers by name in this resolution, my intention is to, you know, ask the chairman of energy and planning to meet with KIUC, ask the chairman of transportation and economic development to meet with those highway agencies and our bus system, as well as finance on the tax incentives and so forth because there is more discussion at the table with the resolution surfacing and the assignments given to the various councilmembers so that we can be very transparent in the stuff that we individually find. There is a Mr. Doi on island, you know, and I'm familiar with this green car rental program where, you know, there's a park-and-ride kind of system where you even rent the car only for the hours you need it, a one-day tour or going out to dinner on the other side of the island. And I've been following that being implemented on the east coast and it seems to be more and more acceptable in that program and it does remove cars from the highway.

You know, on the wind, I'm going to take a comment here, another thing that could change with the wazoo, the birds, the fact of the matter is watch the Akaka Bill too because that will give large pieces of land management to the Hawaiian community that may or may not be exempt from certain... Am I correct, Doug? I mean it's...that's possible that they would be the decision makers on possibly developing larger wind spots on the island locations.

Mr. Hinrichs: I would...I would...I guess the only thing I would compare that to is Native Americans. They have some...some sort of national sovereignty. If there was an equivalent, I would assume they could...have some parity with federal...federal regulations, yeah.

Mr. Furfaro: It is a question that, you know, I have in my mind just as we follow the Akaka Bill. The whole idea is through this resolution I would hope that by preparing ourselves and getting information, we could have even a healthier discussion here. I would also like to say on the state issues, we need to look at getting our plan into the hands of other counties so that we can, you know, hopefully get some support on what we need to change in state regulations.

Mr. Hinrichs: Good idea.

Mr. Furfaro: So.

Mr. Bynum: Can I just follow up on one thing?

Chair Asing: Yeah, go ahead.

Mr. Bynum: It...it's actually, you spurred a question in my mind about the green car. It's similar to share car like on the mainland where people are part of a network where, you know, they pay into a...

Mr. Hinrichs: Oh, like a Zipcar?

Mr. Bynum: Yeah, like a Zipcar.

Mr. Hinrichs: It's (inaudible)...it's also got an element of...is it Enterprise who will deliver right to your door? So there's that personal service, you know, element, which is very appealing, I would think, to visitors.

Mr. Bynum: I know when I was in D.C., you know, I was talking to people who live there who use public transportation most of the time and they had these lots with these Zipcars or share cars in there like hey, if I really want to have a, you know, special night out and have a vehicle I can get it because I really only need that 15/20 times a year...I don't...and I can't afford to maintain a vehicle for those special occasions and it was a really...said they were part of a...like part of a club that had access to these shared cars and...

Mr. Hinrichs: I would (inaudible) that parking is another driver there and it's a lot...at lot harder to park there than...than here, but...

(Inaudible.)

Mr. Hinrichs: Parking the car. If you don't have to have a car, you don't have to worry about parking, you know, it's a...it's a totally different pressure than here.

Mr. Furfaro: Then I also want to say, Mr. Bynum, I only referenced the possibilities in the Akaka Bill because within the Hawaiian community, obviously managing water is a bigger issue when it comes to, you know, irrigation for crops and so forth versus, you know, hydro, water being used for hydro. I mean, there...there's other items we need to know more about.

Mr. Bynum: Right and I...I hadn't thought about that, Mr. Furfaro, because I'm not saying at all that we don't need to be good stewards of the endangered species that we have here and follow all the regulations and so, thank you.

Chair Asing: Okay, what I'd like to do now is I'm going to take a caption break because we're overdue. So, I'd like to take a caption break and...and come back again and ask other councilmembers for their input. With that, we'll take a 10-minute caption break.

There being no objection, the meeting was recessed at 11:10 a.m. The meeting was called back to order at 11:35 a.m., and proceeded as follows:

The rules were still suspended.

Chair Asing: The meeting is now called back to order.

Mr. Kaneshiro: I have a question for Mr. Hinrichs.

Chair Asing: Yeah, with that Doug, please. With that,
Councilmember Kaneshiro?

Mr. Kaneshiro: Good morning, Doug.

Mr. Hinrichs: Good morning, Daryl.

Mr. Kaneshiro: You know, after I was...I went over the presentation, unfortunately for the taxpayers and for the people of Kaua'i, over a 20-year period it will cost them roughly about \$62.6 million to accomplish this, to get this achieved, you know, to be able to do the sustainability plan the way it was presented to us. If you take all the franchise tax and the fuel tax and so forth, right? Total it all out, roughly it's about \$62.6 million over a 20-year period.

Mr. Hinrichs: I'll take your word for it.

Mr. Kaneshiro: So I...but the whole intent, if I'm not mistaken, was so that people would try to get off of fossil fuel, try to do this by hitting them with a \$62.6 million tax. Is that part of it?

Mr. Hinrichs: Well, I...certainly wouldn't characterize it as hitting them with...with the tax.

Mr. Kaneshiro: Well, I mean somebody gotta pay for it.

Mr. Hinrichs: Well, I would...

Mr. Kaneshiro: I'm going to check who it is.

Mr. Hinrichs: As I think my very objective numbers show that it's a...I think it's a pretty good investment, so.

Mr. Kaneshiro: No, and....

Mr. Hinrichs: It depends on your perspective, I suppose, Daryl.

Mr. Kaneshiro: And you know, that's fine. I mean it's part of a plan. I'm not objecting to it, but at the same time, you know, for me over a 20-year period because of a lot of federal moneys coming into energy plans right now, couldn't we accomplish the same goals by reaching out for federal funds, going out there for energy sustainability grants that are out there, and probably get more than \$62.6 million to run this sustainability plan?

Mr. Hinrichs: And that's a good point and there's always ways to leverage, you know, local funds and you know, I've certainly written lots of proposals to federal agencies and sometimes they work, absolutely. So I'd definitely encourage that, sure.

Mr. Kaneshiro: And that is why I posed the point about, you know, hitting the guys in the pocket first, so, because I believe there's a lot of energy grants coming out including in the current farm bill. If you look at the farm bureau, the farm bill that they have coming out, I mean there's so much energy projects in there that...that we could probably accomplish the same goals by hitting those grants.

Mr. Hinrichs: Well, I'd definitely encourage, like I said, leveraging the heck out of those federal and state and different grants definitely. I do know that the American, what is it, Recovery and Reinvestment Act are funds, they were basically planned for, I believe, three years in duration. We're into year one of those, so I'd say if you're going after ARRA funds, I'd say you have about two years to do that, so.

Mr. Kaneshiro: And I really like the part about where you promote the ag part. You know I think it's real important for our island because we have the resources, we have the land to be able to do what your plan pointed out.

Mr. Hinrichs: Great.

Mr. Kaneshiro: But I'm still a little disappointed about the wind energy side.

Mr. Hinrichs: I'm sorry, the what?

Mr. Kaneshiro: About the wind energy and...

Mr. Hinrichs: Oh, the wind.

Mr. Kaneshiro: That part because you said that it's...it's on hold for now.

Mr. Hinrichs: Yeah, me too frankly.

Mr. Kaneshiro: My belief is that, you know, it can contribute a lot to the energy sustainability plan because in 10 years from now, we may have a whole different concept of how you can collect wind, you know, and some technologies. So, you know.

Mr. Hinrichs: Yeah, I know, I think in the full plan I point out that there are floating wind structures that are working right now in Norway.

Hywind is the name of the company if you want to call them up, I'd definitely encourage that.

Mr. Kaneshiro: And I thank you for mellowing down the part about the 50-cent gas hike.

Mr. Hinrichs: I think that's probably a universal reaction, Daryl, okay, sure.

Mr. Kaneshiro: I had some pretty harsh, you know, comments on that, but thank you for that.

Mr. Hinrichs: Sure, you know, my pleasure. I would just say that that my...when I was first asked with getting to 100% sustainability, so that's...that's...that was the price, that's what it cost. But we adjust cost and benefits were all good.

Mr. Kaneshiro: Okay, I don't have any other questions or comments.

Mr. Hinrichs: Thanks, Daryl. Thank you.

Chair Asing: Thank you. Councilmember Kawakami, do you have any comments or questions?

Mr. Kawakami: No, you know, I have more comments for...on KIUC's standpoint on how they view this plan than I do for the presenter here.

Chair Asing: Okay.

Mr. Kawakami: So I'll send over some communication over to KIUC to get some feedback.

Chair Asing: Okay, thank you.

Mr. Kawakami: You know, just maybe one. The open book power purchase agreement, how...how...how does that work? Explain a little bit about the open book power purchase agreement. Are you...are you implying that they open up all negotiations for public view so that other...

Mr. Hinrichs: No, I guess I should define that. It's defined *ad nauseam* in the full report, but what that does...once you get...once you enter into a negotiation between the KIUC and the developer, they sign an NDA (non-disclosure agreement) and between those two parties, they really share their books, what they're expecting for their Cap X, their capital expenses, their Op X, operating expenses, what they expect the return is, different risk mitigation factors. So, you know, a lot of time you go into let's say any utility...any developer goes into a PPA, power purchase agreement, negotiation not knowing what the other entity is thinking, not knowing what the expectations or, you know, assumptions might be. And it's worked K...like I said KIUC has done that with one, I believe, a biomass developer and they both agreed to sign an NDA and open up their books. It greatly, you know, expedited the process, and I think it also increases transparency for the community, you know. It's...it's a bit of a risk, a little scary for both parties, I would assume, to open up their books like that, but, you know, you'd probably find out

anyway. So why not just do it up front and get it...get the process, you know, expedited.

Mr. Kawakami: So that's not happening currently, though.

Mr. Hinrichs: It's not common practice, but again, you know, KIUC has done it and they found it very...very fruitful, very productive.

Mr. Kawakami: I'll send over some communications to KIUC.

Chair Asing: Okay, thank you.

Mr. Hinrichs: Sure.

Chair Asing: (cough, cleared throat) Excuse me. I...I must say that I'm lukewarm.

Mr. Hinrichs: Okay.

Chair Asing: I...I have some concerns. Of course, the biggest concern that I have is when I see the positions, you know, I seen an energy manager, a facilities specialist, energy project facilitator, you know, I see \$250,000 for the energy manager, facilities specialist. You know, I look at all of these and wow, we're talking about some dollars. And...and then, you know, concern, who's going to do it? And you know, when you say the county, I...I have some serious problems with that. I know somebody's got to do it, but I just have problems because it's...it's just too much for me to...to hire people to do that. I'm not sure whether we can find the good qualified people to do it. I just have some problems on when you make reference to the hybrid vehicle and yes, I think we should go into that, but you know, the other cost is how much do these vehicles cost. I mean, you know, to push the community into picking up these vehicles, yes, they're good, yes, they're great, but you know, it costs some money to buy them. So, it's the personal investment by the community that they have to make towards this and that's the question mark that I have.

Mr. Hinrichs: Can...can I address that just real quickly? I'm sorry to interrupt you, but can I address the...

Chair Asing: Go ahead.

Mr. Hinrichs: I know about the hybrid electric vehicles. There is some discomfort there, but one of my premises in suggesting incentives for those was to make them cost the same as a competitive internal combustion engine. So, it would not, in fact, impose any additional burden on the buyer of the car, and in fact, it would greatly reduce their operating cost over time. So, it was one of my...again, an assumption, a premise in my mind is to make...is to not burden folks. No one's making them buy those vehicles, right? But if they do want to, given an incentive, I believe it's \$2500 for the HEVs to make them cost the same as internal combustion engine and then after that, they start saving money because they use up to 40% less fuel.

Chair Asing: Yes, thank you.

Mr. Hinrichs: Yeah, sure.

Chair Asing: You know, I...I guess I have concerns about the solar photovoltaic systems. Supposedly we were going to start one in Kekaha and I understand there's some problems. I don't know what the problems is exactly, but why isn't that flying, question mark. Supposedly, the projections were that they were going to produce a sudden...a significant amount of power. I see in here that you have a portion that talks about Brazil and their sugar cane production, you know. And I was thinking, gee, we have Robinson that just went out of sugar, you know, so what's happening there? Is it viable? If it is, why hasn't it taken off? You know, what are the problems and it just...all of these things just somehow is not adding up. I...I've heard all the, you know, the biomass, the sugar cane to produce power and it's been so long. What's happening? Why isn't it flying? Why is it taking so long? And it's gotten to a point where Robinson is out of sugar, I'm gone. So, what's happening? I mean, there's gotta be some answers there to these questions. And I think it's reasonable questions and if, in fact, it is viable to do it, why hasn't it happened? Can you...

Mr. Hinrichs: Would you like me to respond?

Chair Asing: Yeah.

Mr. Hinrichs: Okay. The Kekaha Solar Project, is that the...

Chair Asing: Yes.

Mr. Hinrichs: ...(inaudible) concerning solar power project?

Chair Asing: Right.

Mr. Hinrichs: Yeah, that's a different actual solar technology than photovoltaics. It's concentrating solar power.

Chair Asing: Yeah.

Mr. Hinrichs: And that is...tell me when your eyes glaze over, but I know a lot about these...these technologies actually. Usually when you look at concentrating solar power projects, you start at about 50-100 megawatts. This (inaudible) was believe 10 megawatts. So in order to make that work efficiently, they put in two power blocks, a steam engine...steam turbine, and an organic rankine cycle turbine. They had to kind of engineer this. It's not a commonly design or (inaudible) project, so they had to engineer this. And because it's a smaller project, you don't have economies of scale. Because it's not a highly commercial system, they had to, in my best guess, they had to use extra engineering dollars to make...you know, put the system together. So, short story, it's...it's probably...it's a scale issue. If we had a 500 megawatt peak grid here, then we can look at the 100 megawatt CSV systems where you have really affordable solar power and, you know, so that's...it's a scale issue on that particular project. With any, you know...what is it? What the saying about a cloud and the silver lining? The upside of that particular project is that because of the economy, the downturn in the economy, photovoltaics, you first mentioned them, they actually...those panels are cheaper these days. So, in my best estimate, it would make far more sense right now to look at a PV farm, photovoltaics farm, on that land or somewhere over there where the insulation...where the solar resources are...are pretty good on the Westside of the island. So if the CSV project won't work because of the scale and, you know, commercially available technologies and systems, you can turn that

around and say, well, what would work and I think photovoltaics would work a lot better in that...on that particular site.

The other one was about sugar cane and cars from Brazil. I think part of that is an education process. I don't know if many people have been to Brazil or if they've seen what the cars there are doing. I know actually some people have. The Hawai'i Auto Dealers Association have made trips there; they've seen what's going on, what Brazil has because they have the resources and also cheaper land. They have really taken a...they've become the world leader in raising sugar...sugar cane and beets, I believe, to make ethanol, affordable ethanol, and they've also, to make sure the market, local market is developed, they've also developed cars that use flex...they're flex fuel cars. They can use ethanol or gasoline. They've also pushed the R&D side, research and development side, on these high compression engines. So they can get more bang for the buck out of the BTUs of the lower BTU ethanol.

So, in my mind, I go back to my premises, my assumptions, our objectives. I think it makes sense to develop a local market for the ethanol. Get the ethanol produced, somehow affordably, make sure you're using, you know, all you can out of the sugar cane, so you make ethanol, yes, but you also use the bagasse to make energy, like has been tried on Maui; I know in other places. But if...again, if you develop that local market, you don't have to ship that off and incur those costs. Use it locally. So, you know, I don't...I haven't seen anyone's business model. I don't know what has been proposed here. I don't know what is and isn't working. I do think, though, that if it does make sense economically, someone's going to do it. And I think they're close from what I've heard. I hope that answers some of your questions.

Chair Asing: Okay, thank you. And I just want to read this into the record and that's your page 42: energy manager facility specialist \$255,000 a year; your second bullet energy project facilitator \$150,000 a year; county to conduct environmental impact assessments \$150,000; sustainable energy team to conduct community outreach \$300,000; county to fund bonds manager in real property tax office \$122,500, total \$977,500 a year. A million dollars, I...I have problems with that.

Mr. Hinrichs: I understand. I totally understand that. I can only point to...

Chair Asing: And it's not easy for me to just accept that. So, you know, when Councilmember Bynum asked about is the administration buying in on...on this and of course I didn't hear a yes or a no, and maybe you're in the same place I am, I don't know. But I am very hesitant and I guess, you know, you're going...you went through all of this and I need more time to, you know, it's not...I can't sit here and then just accept all of this and know exactly what you're saying, so I...I'm going to be reviewing this, but I want to thank you for the project anyway. With that, councilmembers, any other questions or comments? If not, Doug, thank you very much. I'd like to call the meeting back to order.

The meeting was called back to order, and proceeded as follows:

Chair Asing: Can we have a motion...

Mr. Furfaro: Mr. Chair, are you going to take public testimony?

Chair Asing: Oh, I'm sorry, my apologies. With that I'd like to open it up to the public. Glenn, please. Thank you, Councilmember Furfaro.

There being no objection, the rules were suspended.

GLENN MICKENS: Thank you, Kaipo, for the record Glenn Mickens. First, I'd like to thank Doug for his fine presentation. He appears to be a very brilliant person in the knowledge he has. I want to agree with Jay that I believe a resolution should be introduced and go over all the issues that Doug has brought up. I think it's way, way too complex to make any decisions on this at this stage of the game. Kaipo, you brought up some (inaudible) the money that it's going to cost etcetera, etcetera...go over on a prioritized basis.

I also want to bring up about...at a previous meeting, Kaipo, you brought this up, which I thought was an excellent point about electric cars. You pointed out years ago, we had electric cars. The county bought them, and I guess they just died. I don't know what happened. I never heard an answer. You brought the question up, Kaipo, and I never heard an answer to it. I...for these electric cars, I know that the batteries have been increased in being able to do some things that they couldn't do before, but I think it's going to be a real test to see whether they're going to be able to install enough places out there for people for plug these cars in as they stop and whether people are going to say, you now, you got a hundred miles, you're ninety miles and you know, you don't have a place to plug in there. The people forget at night to do it. I think it's going to hold a big question mark. It sounds like...you know, it's a great idea; I keep on hearing it. And as far as the hybrid vehicles, I think they are a reality, obviously at this stage of the game. But even those, as you brought up Kaipo, you're play...you're paying a big premium because... I don't know how many of you guys read consumer report, but like the Camry hybrid and the Camry regular model, gasoline model, I think there's something like a \$7,000 difference in it. And it's going to take you a number of years to ever make that difference up in the gas mileage you're going to be able to get. I'm not saying they don't...don't work because like the Prius out here, you know, it's a very, very popular vehicle and it's getting great (inaudible). But even the hybrid vehicle, it's capable if you run out of gas, you can stop at a gas station, they're all over. So I think the electric vehicle is going to have to take a long ways before the public is going to buy into them. I know Nissan is coming out, I guess, at the end of this year as Doug pointed out with a true electric vehicle. But I know that California had them 20 or 30 years ago and they did the same thing with them and they just...they just died. They weren't a reality. So, anyway, I really appreciate Doug's presentation and your council...you councilmembers' consideration of this, but I think you're going to have to get together, like you say, with KIUC, with the administration. There's a myriad of problems that you're going to have to address. Thank you, Kaipo.

Chair Asing: Thank you. Anyone else? Mr. Taylor.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. I too want to thank Doug and George and Diane for working diligently on bringing this report forward. I do have some...some concerns as all of you have indicated, but a couple things that I see that should be included in this first step and...or at least be in the discussion is one is wave energy, which is 24/7 and a very doable situation here on the island. The other...the other thing is that I know there was a little talk about having these cars available at the hotels that people could rent, but if we...if we really as a community set a goal to remove the tourist from the automobile completely or almost completely, by having an adequate bus

system, there would be a lot of benefits to the community in doing that and with...with a lot of effort these days being put into bringing tourists from Cana...or China and Korea, Japan, they drive on the opposite side of the road than we do, and so they're not even comfortable driving here. And so if the goal, I think, in this report should be the...we should make a determination to set the goal to remove the tourist completely from the automobile or as much as we can have a few cars available to them at the hotels for emergencies and what have you, but by setting that goal and working in that direction of having the bus system so adequate, we immediately make the bus system very usable to the community in general. And I think that's really a missing component in this process, but as far as financing all of this, I think that if we look around and see the traffic problems we have on the island today, it's because we haven't had the moneys to solve the problems and the decisions that should have been made 20 years ago to...to raise the funds to solve these kinds of problems wasn't done, and we can continue to repeat those kinds of activities or we can figure out a way and as far as getting grant money and so on, there's no problem with going after those whenever they're available, but you have to set the goal of what you want to achieve. You have to set the financial situation in place and if you get...if you get the grants and things to achieve it, you can always eliminate. I know government doesn't like to eliminate money or funds when...once they get their hands on it, but it could be written into the situation where that could happen. So, anyway, I think it's a plan that we need to really take serious consideration of moving forward with and if not, we'll be here...some of us won't be here in 20 years, but there'll be others from the community that will be and they'll say, why didn't those folks back then make that hard decision and move forward with this plan. Thank you.

Chair Asing:

Thank you. Is there anyone else?

JUAN WILSON: Good morning, everyone, my name is Juan Wilson. I live in Hanapēpē Valley. I just read an article this morning that the Department of Defense is estimating that between 2012 and 2015, we're probably going to be in the 10 million barrel-a-day shortfall on oil production worldwide, based on the recovery we see happening in China and India now. That would mean oil, perhaps, being as expensive as it was and gas in 2008, moving north of \$100 a barrel, significantly. It's estimated right now, by many people predicting oil prices, that oil's going to be in the \$90-range within 10 days or so. It's over \$85 or has been floating \$85 to \$87 a barrel. I would suggest that operations at KIUC that are intensively involved with diesel that don't have a short-term solution, in the next five years getting off diesel, are going to essentially unravel, would be bankrupt, be dysfunctional, and that the PACE Program and distributive power based on the kind of plan that I've seen on the mainland and has been suggested here, is probably one of the most efficient ways for us to move forward in getting some kind of independence at a house-to-house level, lights on at night, being able to read and get on your computer, operate your electric vehicle. Solar voltaic, I live on the Westside, it's probably the most efficient way to go. I'm investing as much and there's not much I have until security, but as much as I can in that and I think distributive power is the way forward. Please support the PACE. Thanks.

Chair Asing:

Thank you. Is there anyone else? If not, George.

Mr. Costa: George Costa for the record. I agree with Doug. Mr. Mickens, he raised a question about the county electric vehicle and I know I responded to the chair, actually it was about a year ago in writing, but just for the record, for the public, because I know most people like myself did see the...the electric vehicle parked out in front of the county building for quite some time and I

too wondered, you know, whatever happened to that vehicle. So just for the record and some history, Glenn Sato, our energy coordinator, did apply for a grant and received a grant and I'm not too sure what car company provided that vehicle, but it was for basically a research project so that the county government officials would use the car and log the time used and, you know, where they went and the mileage and so, I believe that was about 15 years ago. So, that use of that vehicle and the research and information that it gathered actually helped to develop the...the hybrid and electric vehicles of today and eventually, after the grant ran out and it was costing a lot of money back then when the...for the vehicle maintenance. When the battery would die, they would have to fly in somebody from Honolulu to maintain that vehicle. So after the grant moneys ran out, the vehicle was donated to the Kaua'i Community College Automotive Department. And I'm not too sure what happened to the vehicle since then, but just for the record and again, there was no cost to the county.

Chair Asing: Thank you. With that, I'd like to call the meeting back to order. Can we have a motion to receive?

There being no one else wishing to speak on this matter, the meeting was called back to order, and proceeded as follows:

Ms. Kawahara: Can we have discussion?

Chair Asing: Yes, go ahead. Any further discussion?

Mr. Furfaro: I'd like to make this motion first, if I can and that would be to receive the plan with what I have spoke about earlier where it would be resurrected in the form of a resolution, that we can then dissect this plan and ask certain members of the council to, you know, look at the critical points mentioned today. I mean, obviously we all know that for the bus system right now, we subsidize it by almost 82%. Other municipalities subsi...substitute public transportation only about 70% and a good portion of that money that has been presented to us in the way of fees is intended to expand the bus. And with all of our efforts since I've been on the council, we've only expanded it by 28%. So, I would like to make that motion with the understanding that we receive the bill and then we resurrect parts of it with assignments in a resolution and then have discussion again on those various parts. That would be my motion.

Chair Asing: Thank you. With that, further discussion?

Ms. Kawahara: Yes, yes...

Chair Asing: Go ahead.

Ms. Kawahara: ...on the overall plan. I understand the other councilmembers and people of the community being gun shy about the price tag on doing something...actually taking some of these recommendations and making them reality. So, my question is what do we do now for everybody out there? What do we do now? We have the first steps of the pathway to energy sustainable Kaua'i and the question is where do we want to go. We have...what...we have here in front of us a plan on where do we want to go. So the question now is do we care where we want to go? Are we willing to invest that money? Are we willing to say this is a public project that's going to be good for...the public good across the island. It's going to make the community and our existence possible when...when we know there's going to be an increase...incredible increase on fuel costs and everything else

that goes into energy production. Again, so what are we going to do now? It depends. Do you want to commit to something that will take us in a direction that will address those issues or do you want to stand back and wait and see everything come to pass where we know the fuel is going to be a problem, energy is going to be problem. Granted there are huge obstacles, but again I...I'm pretty sure that governments take on very large capital projects or public projects and off the top of my head I don't want to mention a lot of...any of them, but I'm sure many of my fellow councilmembers unders...know that governments take on large public programs in order to do something that is necessary for the good of the public and the good of the community. So I would...I would recognize that it is a huge project and difficult to swallow the cost of implementing some of the recommendations or all of the recommendations. But...but the question is do you commit to it as the way of moving forward to being able to address the issues that we know are coming or do you stand back and wait till the issues and the problems come to you. Thank you very much.

Chair Asing: Yes, I...I'd like to answer that. I don't have any problem and I think the recommendation that is being made by the Vice Chair on having the different groups get together and working it out into a resolution to look at it and then have the direction from that standpoint, I think it's an excellent idea. I don't think doing nothing is going to solve the problem either. But I think the method that is being presented in the motion that Councilmember Furfaro is moving towards, I think it is the best idea and I will be supporting that with that intent, and I intend to review again the document and again looking at the pluses and minuses and make whatever changes, additions or clarifications that we can work out and manage. With that, any further discussion? Councilmember Bynum.

Mr. Bynum: Thank you, Mr. Chair, and I just want to say that I think this was a very valuable public process and I think that I want to acknowledge Councilmember Furfaro and former councilmember Yukimura who championed this, getting this process going, but it is a process and I think, you know, this is a great illustration. The first draft had a strong reaction. It, you know, we...it spurred a lot of input and ideas in communities. It resulted in significant changes, but it's the nature of this that it should propose making a change and not allowing our energy future to be dictated by larger and outside world forces, but trying to bring this into our hands and there's potential for lots of benefits. I think the Chair's questions about cost are the exact same questions I have and you look at those numbers and you say, wow, you know, where do we get that kind of money. The other side of that, though, is those are investments that are...that do pay benefits. So whenever you do an equation, any of us, we say what's the cost and what's the benefits, and so I don't want us to lose sight of the benefits that come from that, including employing people on Kaua'i. You know, we have unique challenges being an island and we have unique opportunities as well, and unique vulnerabilities. And I think all of those have to pay in the equation. Speaking for myself, I also want to endorse Councilmember Furfaro's continued leadership on this issue. He's suggesting that in the areas that different councilmembers are committee chairs that they...that we take this pie and slice it up and look and continue the public process that starts with this, and I think that's a good way to go, and I'm hopeful that elements of this plan are implemented by our county, maybe not all of them, maybe some with changes because that's part of the public process. But this was a valuable endeavor on our part, but I also believe there's sentiment on Kaua'i and reasonably that we invest in planning that never comes to fruition. So I'm very hopeful that that's not the incident...that's not the case in this incident. I particularly like the PACE idea that the state is working on and distributing energy and allowing even individuals to invest and get involved.

You know, government has the ability to bring resources in a...in a coordinated way and those resources can get distributed even into the household level and, you know, that's...when I first looked into this a couple years ago, it was like oh, this one idea in Berkley and, you know, Berkley, they're like these radicals over there. But now it's an idea that just in a really relatively short period of time is being successfully implemented around the county. So, that's just one of many things that will move forward. So, thank you Doug, Diane and George, and I'm looking forward to the ongoing dialogue.

Chair Asing: Thank you. Any further discussion? If not,
Councilmember...

Mr. Furfaro: I'm not sure we have a second, Mr. Chair.

Mr. Nakamura: No, no second.

Mr. Furfaro: Unless you wanted to second?

Chair Asing: Oh.

Mr. Bynum: Second.

Mr. Furfaro: You'll second.

Chair Asing: Okay.

Mr. Nakamura: Council...

Chair Asing: So why don't you make the motion first.

Mr. Nakamura: Council Ch...

Mr. Furfaro: I am proposing that we move to receive this presentation with the understanding that a resolution will be coming forth that dissects some committee assignments and reported back to the council.

Chair Asing: Thank you. Can we have a second to that?

Mr. Nakamura: Council...Council Chair...

Ms. Kawahara: Second.

Chair Asing: Thank you. Any discussion.

Mr. Nakamura: Council Chair, just a moment...just a point of clarification. If it's okay if the motion could just be recorded as received the communication with a policy resolution to follow.

Chair Asing: Yes, yes.

Mr. Furfaro: With a policy resolution to follow? So made.

Ms. Kawahara: Second.

Chair Asing: Okay, any further discussion? If not, all those in favor say, aye.

Mr. Furfaro moved to receive C 2010-82 for the record, with a policy resolution to follow, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Council Chair, at this time if we could go to page 4 of the Council's agenda on two matters for approval, communication C 2010-93.

C 2010-93 Communication (03/30/2010) from the Director of Housing, requesting Council approval to acquire a residential unit situated at 3229-A Unahe Street, Lihue, Kauai, Hawaii, (Tax Map Key: (4) 3-6-018-046-0001) in fee simple under the County's Community Development Block Grant (CDBG) Program for \$425,000.00, and to authorize the County Clerk to sign legal documents related to this transaction: Mr. Furfaro moved to approve C 2010-93, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, at this time if we can go to the next item on the agenda for approval, communication C 2010-94.

C 2010-94 Communication (03/31/2010) from the Director of Housing, requesting Council approval to acquire three (3) residential units, under the County's Neighborhood Stabilization Program (NSP) Foreclosure Acquisition, Rehabilitation and Resale Project, at the contracted offer prices subject to the one-percent (1%) discount based on receipt of the appraisals situated at (1) 4734 Mimilo Road, Kapa'a, Hawaii, TMK (4) 4-6-029-003 (\$394,900.00); (2) 3868 Olona Street, Koloa, Hawaii, TMK (4) 2-8-025-053 (\$399,000.00); (3) 4462 I Mua Place, Kilauea, Hawaii, TMK (4) 5-2-016-013 (\$399,000.00), and to authorize the County Clerk to sign any and all related legal documents: Mr. Furfaro moved to approve C 2010-94, seconded by Mr. Kaneshiro.

Chair Asing: Any discussion? Councilmember Kawahara.

Ms. Kawahara: Thank you. This is just a call out to the housing department for going out and looking for these properties as we know they're going down, the prices, so thank you very much for doing that and adding to our affordable housing and workforce housing inventory. Thank you.

Chair Asing: Thank you. Any further discussion? If not all those in favor say, aye.

The motion to approve C 2010-94 was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Mr. Chair, at this time if we could go back to...I'm sorry...if we could go to...oh, thank you...if we could go back to page 1 of the council's agenda, communication C 2010-79.

C 2010-79 Communication (02/25/2010) from the Chair of the Public Access, Open Space, and Natural Resources Preservation Fund Commission (Open Space Commission), transmitting for Council information the County of Kaua'i Open Space Commission's 2009 Report to the County.

Chair Asing: Thank you.

There being no objection, the rules were suspended.

Chair Asing: Good morning.

JEAN SOUZA, Chair, Open Space Commission: Good morning. I'm Jean Souza...

Mr. Furfaro: Good morning, Jean.

Ms. Kawahara: Good morning, Jean.

Ms. Souza: Good morning. I'm the chair of...actually, it's good noon. I'm the Chair of the Public Access, Open Space and Natural Resources Preservation Fund Commission and with me is Theresita, Tessie Kinnaman.

THERESITA KINNAMAN: Aloha, Tessie Kinnaman for the record. I'd like to mention our commission and with...members on our commission are Linda Dela Cruz appointed by the mayor representing Waimea/Kekaha; Eugene Punzal, mayoral appointment, Kapa'a/Wailua District; Johanna Ventura, mayoral appointment at-large; Jean Souza representing Hanapēpē/Ēle'ele; myself representing Kōloa/Po'ipū/Kalāheo; Beryl Blaich appointed by the council, Anahola/Hā'ena, and we have three vacancies, a mayoral appointment and an appointment by the council at-large member that has been vacant since July 2009 and the 9th commissioner would be appointed by the sitting eight commissioners. And I'd...I would also like to introduce our Open Space specialist that was hired in July, I'm sorry, August 2009 and Nani Panui Sadora, and our very efficient clerk, Duke Nakamatsu.

Ms. Souza: I'm asking the chair, what's your pleasure? We can do a five-minute summary of the report and be open to questions or go directly into questions.

Chair Asing: Why don't you...why don't you do that. What don't you do that.

Ms. Souza: Okay. We are not going to do a PowerPoint. We're going to be speaking from our 2009 report, which you should all have in front of you. If you don't have a copy, please let us know.

This is a 50-page report that's divided into two sections. One is the guts of the report, which is only about 12 pages. Then the following pages are part of the appendix. So if I could direct your attention to page 5, I'll just be going page by page and summarizing. Since this is not our first time here, I'll dispense with the purpose of the Open Space Commission, but I would like to point out that the Fund, the Open Space Fund, which is accrued from a minimum of one-half of one percent of Kaua'i's certified real property taxes each year currently has a balance of \$261,000. This represents the fourth report that we have submitted to you as one of the requirements of the Open Space Commission and I'll be going through our

recommendations in just a minute. This past year has been a watershed year for us with the allocation of funds for expansion of Black Pot Beach Park from the county council, the filling of the open space specialist position, the planning department's start on the research of unresolved access issues and the productive relationship with the county attorney's office. If you'll turn to page 8, I would like to go down through the recommendations that the commission has in order of priority for the acquisition of fee or other property entitlements using the open space fund. And if at the same time you could have your finger on appendix C, which contains aerial of the photos of the properties, I'll be going through that. Since this is our fourth report, we've kind of gotten a little smart about how we present this information. So, for each of the recommendations, we have a brief description about the rationale for that recommendation and then if you'll have your finger on appendix C, you can go through and see what that property looks like in relation to the surrounding lands, okay? So in order of priority, our recommendations are number one, Black Pot Beach Park expansion. Now, we acknowledge that the council did approve the allocation of funds from the fund. Was it last year? And I think you have also made an additional contribution to that project. And we just want to maintain that we still think that this is a top priority and until this project is completed, we wanted to not lose focus that this is still a priority, so we just are...have it listed here.

Our second priority is Salt Pond Beach Park expansion and a buffer area for the protection of Hanapēpē Salt Pans. The culturally significant Hanapēpē Salt Pans continues to be threatened by agricultural runoff and contamination. In addition, the only major beach park between Po'ipū and Polihale, Salt Pond Beach Park is heavily used and needs to be expanded westward and mauka. The termination of Gay and Robinson sugar operation provides an opportunity to effect the G&R lease of state-owned lands westward and mauka of the salt pans and beach park for public recreational and cultural preservation purposes. The open space funds provide options for obtaining a state lease or executive order of the lands westward and mauka of the salt pans and beach park.

Our third recommendation is the Kaneiōlouma Heiau Complex, specifically the Nukumoi Surf Shop property. This privately owned parcel is adjacent to county-owned land and is part of the culturally significant Kaneiōlouma Heiau Complex of Po'ipū. The land lease for the parcel on which the Nukumoi Surf Shop is situated is reportedly up for renewal. The open space funds can be used to acquire the land lease or purchase for fee to expand efforts to restore, interpret and protect this important cultural place.

The fourth recommendation is for the CGB Evslin property in the Waimea/Kekaha area. Our recommendation is for acquisition of this coastal Kekaha property that would protect coastal open space and cultural remains as well as to allow continued shoreline access for fishing when surfing and other informal recreational uses.

On page 9, we do have other commission recommendations that do not affect the fund. As you know, land is very expensive and some of these properties listed on page 9 are...are very large, but we feel that some effort should be exerted to attempt to acquire some of these through...through other means. And that would include (a) acquire pedestrian shoreline access over an existing drainage easement in the Po'ipū area on the former Hoban property utilizing funds provided by conditions of Ordinance PM-2004-370 relating to Zoning Designation at Kukui'ula, Kaua'i, Section 2.15e(2). Then another recommendation is to acquire access through the use of real property tax incentives or other methods, and there are five properties listed, including Kauapea Beach East, Ka'aka'aniu Beach, Pāpa'a Bay

access, Waita Reservoir access, and Alexander Dam access. And then our recommendation C is for the following particularly large and expensive parcels for which the open space fund is drastically insufficient. The commission encourages that the county pursue partnerships for acquiring the Hā'ena properties, Coco Palms, Alekoko Fishpond and Māhā'ulepū.

As you know, we have two requirements. One is to submit to you an annual list of recommendations for the use of the fund, and the second requirement is that we engage in a public process. And pages 10 and 11 document that process that we were engaged in last year and it included accepting public comments during regular commission meetings, which we held normally twice a month. We undertook a 2009 public survey for a 6-week period and we also conducted a field trip to the Hanalei and Hā'ena area and results of the survey, which included the receipt of 102 online and paper surveys is summarized on page 11. Tessie and I are available for questions.

Chair Asing: Thank you, Councilmember Furfaro.

Mr. Furfaro: Thank you.

Ms. Souza: Oh, excuse me, I'm sorry. I may have misspoken about the amount of the fund. It is \$761,000. I may have misspoken on that.

Mr. Furfaro: First of all, on this fund, we're very close to (inaudible)...

BC, Videographer: Mike.

Mr. Furfaro: ...we're very close to annual reconcile of that account, so. You may have a difference because of this year's tax collection, so.

Ms. Souza: Yes.

Mr. Furfaro: I just want to first of all thank you both for the report. We do have a list of about seven names we are now considering for your vacancy. So we hope to have something before Beryl actually steps down, but I do understand she could serve an additional 90 days if...if necessary, but under her circumstances and her calendar of items she needs to accomplish, we will be looking into that very quickly. I wanted to assure you of that.

Ms. Souza: Very good and may I welcome a dialogue between the candidates and our staff Nani Sadora so that there can be a reality check about what...what is involved and their capacity to serve.

Mr. Furfaro: Yes.

Ms. Souza: Thank you.

Mr. Furfaro: I appreciate and recognize that and we'll...we will have them involved. I'm also glad that we've been able to fill all your vacancies for your staff positions. So, that's...that's good too. That is an accomplishment that I want to share with you that we need to focus on here. On the acquisition of the beach front property at Hanalei, depending on who you speak to, either the pier, the landing or Black Pot, whichever you want to share with, you're correct. The council did earmark another \$350,000 from our Halelea Park Fund for the acquisition. But,

you know, the critical date on that is going to be June 30 because there is a condition that earmarks some funds from the Legacy Fund, the State Legacy Fund, that they needed to meet that deadline before the fiscal calendar and the fiscal year ends June 30th. So, that was earmarked in this piece.

On the Salt Park Beach expansion, may I ask, has anyone in the administration started on the appraisal for that piece of land?

Ms. Souza: I believe that has not happened yet. The action that we are contemplating taking to get movement on this is to...for the commission to request that the planning department provide a dossier on this project and other projects that we want the county to move forward on. And that dossier would include a resolution of whatever document that you would need to act on it. So.

Mr. Furfaro: I think the council made a strong point about fair market value and using in-house resources like the county attorney's office and planning to prepare that, but that has not been done yet, to your...

Ms. Souza: Not that I know of.

Mr. Furfaro: And on Kaneioulouma Heiau, there's a group that's forming a stewardship. Have you have a briefing on that from the administration.

Ms. Souza: Yes, we have and they're here, I think, to testify today as well.

Mr. Furfaro: And may I ask in some clarity, just because, you know, people are kama'aina to certain areas, do you use the modern districts in your definition here or do you use the tax districts.

Ms. Souza: We're using the judicial districts.

Mr. Furfaro: You use the traditional districts?

Ms. Souza: The ju...judicial.

Mr. Furfaro: Judicial, okay. Because Kauapea is actually in the district...is in the moku of Ko'olau and many people get that mixed up. Pu'ukumu Stream that runs by Kalihiwai separates Halelea from Ko'olau and that's why some people say there's 10 ahupua'a sometime in Halelea and others say there's 23 because we...we merged them in modern terms. But that is a division point and you're referencing it as the Halelea District, but Kauapea references a lookout that separates Ko'olau from Halelea. So this is the judicial (inaudible) you used. Thank you again for a great report.

Chair Asing: Any other questions, councilmembers?
Councilmember Kawahara.

Ms. Kawahara: Thank you. Thank you for an excellent report. I do have something...a question about one of your secondary...secondary recommendations. But I also wanted to recognize that it is a watershed year and I'm glad and I hope that it has been a rewarding experience in this fourth year for the Open Space Commission and the commissioners because it seems like there's an improvement here made in relationships with the legal counsel.

Ms. Souza: Actually this is our sixth year in existence but our fourth report.

Ms. Kawahara: Oh, okay.

Ms. Souza: But yes, things are looking much better than were a year ago.

Ms. Kawahara: Okay, thank you, and I think I'll recognize Al, Mr. Castillo. If you could go over just a little bit about the Larsen's Beach access because I do see that there...it is on your secondary list. My understanding is that we do have an access and I've been in close communications with the mayor and the state and DLNR because of the, you know, there's so many different jurisdictions...different ownership areas here and it's been really complicated. So, there's a lateral access and a vertical access. The vertical access is the one where the mauka/makai is the one we're talking about for the county. We do have a tax map key for that portion, so my question is what is it that you are recommending for that area? We did go on an excursion and a hike down the county one, and I think the mayor was with us and a bunch of people from the departments, and you know, we discovered there's access issues with our lower part of that access to the beach, if you could talk a little bit about that? Thank you.

Ms. Souza: We also scrambled down the county access way and were briefed on-site and in our commission meetings by the public on the issues. By listing it here, we're not advocating one...one...how can I say, solution over another. But feel that the folks that are involved in it need to know that we support the acquisition of access in that area through any means, tax incentives or other methods. But we didn't feel...this year the amount that's in our fund is not as big as it was before because we...the council approved the acquisition of the Hanalei property. So, if you notice, the recommendations 1, 2, 3 and 4 are rather modest, and for these proposals listed on page 9, they're likely to be more expensive, so we're just saying we acknowledge that there's a process going on and we just want them to know that we think that it's important in that area.

Ms. Kawahara: That access point.

Ms. Souza: Yeah.

Ms. Kawahara: Any, whichever access it does turn out to be.

Ms. Souza: And whatever...

Ms. Kawahara: Whatever people can work out...

Ms. Souza: Yeah.

Ms. Kawahara: ...and the county can work out with landowners and with the state, okay.

Ms. Souza: Within our commission, this last meeting, we did have a discussion about a more grand idea for certain parts of the island including this area. And so in the next meeting, which is next week, myself or in my absence, Tessie, will be appointing a task group of four commissioners to develop a longer

range open space and public access plan as an internal guidance document for the commission. So, some of the things that are encountered at Ka'aka'aniu, I think, will probably be addressed by that internal document.

Ms. Kawahara: Okay, so that's...that's your way of dealing with continuity through the different board...

Ms. Souza: Exactly.

Ms. Kawahara: ...board members turning over.

Ms. Souza: That's another way of dealing with having to submit annual reports to you. I think we find the need to have the bigger picture presented and so that's how we will attempt to address that for commission use.

Ms. Kawahara: That sounds great, an internal document to guide...to guide your guys decision making. As you know, we're going through the budget right now, so when I'm looking at the recommendations, the ones that say without necessitating the use of funds or moneys, those are very...those are very important that they be looked at because they are something that we don't necessarily need funds for and we can work with people and landowners to do especially in this time. So I'm glad to see that there's going to be...the planning department is working on researching public access areas – is that right? – to access...to be sure there's access to mauka and makai areas and hoping to provide results and recommendations for your 2010 report.

Ms. Souza: Well, right. If you'll remember, at the last...the last time we were here, we had quite an in-depth discussion about the unresolved issues related to public access mostly. And so after that meeting, we had a commitment from the planning...we received a commitment from the planning department that the planning department led by our open space specialist will be addressing those issues and will be prepared to have a report included in our report to you for the 2010 year. So, that's really good news.

Ms. Kawahara: That's very encouraging because if I remember correctly, there was a long list of (inaudible) questions.

Ms. Souza: Yes and that list expanded...

Ms. Kawahara: Yes.

Ms. Souza: ...too.

Ms. Kawahara: That's going to be very, very informative and I'm hoping that we're going to be able to move on some of those definitely...

Ms. Souza: Right.

Ms. Kawahara: ...because, you know, (inaudible) even...we know they're there and it's just a question of how do we go about making sure we keep 'em. So I'm looking forward to Ms. Sadora working on that and providing us with a public access list of things that we can actually move on and get addressed, and I really want to thank you for your work because I know it's not always easy and definitely working with access issues and nebulous kind of the access issues where

you're not sure where we have access and being able to address them, identify them and giving us a plan, that's one of my main interests...one of my interest in being here, so thank you very much for what you're doing.

Chair Asing: Thank you, any other questions? If not...

Mr. Furfaro: Mr. Chair?

Chair Asing: ...councilmembers, we're really running late and if you want to ask more questions, then we can suspend this and move it to the end of the agenda and take it later on because we have to break for lunch, come back for public hearing. We have the...I'd have to let the community speak on this item also, so what is the pleasure of the group? You want to defer this to the end of the agenda or do you want to try to end this now?

Mr. Furfaro: Let's take...let's take public testimony?

Chair Asing: Okay.

Mr. Furfaro: I just wanted to refer to your past comments as the low hanging fruit.

Chair Asing: That's been ongoing for so long I have almost given up on it.

Mr. Furfaro: Don't give up, Mr. Chair.

Chair Asing: Because nothing has been done in that area as far as I'm concerned, so thank you. Can we have the public up now?

Ms. Kinnaman and Ms. Souza: Thank you.

Mr. Furfaro: Thank you, ladies.

Chair Asing: Thank you.

RUPERT ROWE: Aloha Council, my name is Rupert Rowe. I represent Kaneioulouma. I want to bring everybody up to date. From March 15, I think, I sent a book to the chair, vice chair, the administration, Senator Akaka, Nainoa Thompson, and Billy Fields to put everything together. Asked the two candidates on the democrat side to help the county acquire the state property on the top. Looking at Nukumoi, I'm asking different agencies of the Hawaiian culture out there to work with the county so we will have an agenda to go forth and because of the economical ties in there and these agencies and people out there are very interested in joining forces with the county. That's how far I have taken Kaneioulouma since our presentation. So to make everything short, I know the 'ōpū is hungry and I feel for you. Any questions?

Chair Asing: Thank you.

Mr. Furfaro: Thank you, Rupert, thank you for your work.

Chair Asing: Is there anyone else? If not, I'd like to call the meeting back to order.

There being no one else wishing to speak on this matter, the meeting was called back to order.

Chair Asing: Can I have a motion to receive?

Mr. Furfaro moved to receive C 2010-79 for the record, seconded by Mr. Bynum.

Chair Asing: Thank you, any discussion? Yes, go ahead, Councilmember Bynum.

Mr. Bynum: (Inaudible) I really appreciate the Open Space Commission. I really appreciate the Open Space Commission and Jean, thank you for your hard work and Tessie too, you know, you've been there a long time and working really hard and it's very appreciated. I'm so pleased to hear that there's a better relationship with planning and the county attorney's office and that we're getting back on track to look at public access. You guys went there in the first place because that's...the community demanded it right at the beginning. They said, eh, don't talk to me about new access when we're having access that we once had denied. And I think we really...all of us in the county need to get back on track with that, so thank you very much for your efforts.

Chair Asing: I also want to echo that thank you to all the hard work that you do. With that, any further discussion? If not, all those in favor say, aye.

The motion to receive C 2010-79 for the record was then put, and unanimously carried.

Chair Asing: Thank you, we will now break for lunch and come back for the public hearing at 1:40 p.m. Thank you.

There being no objection, the meeting was recessed at 12:43. The meeting reconvened at 3:22 p.m., and proceeded as follows:

Chair Asing: The meeting is now called back to order. With that, Mr. Clerk can we have the next item?

Mr. Nakamura: Council Chair, if at this time we could go to page 3 of the council's agenda for communication C 2010-88.

C 2010-88 Communication (03/08/2010) from the Administrator of Kaua'i Civil Defense, requesting Council approval to receive and expend grant funds from the U.S. Department of Homeland Security, via State Civil Defense, in the following areas and amounts:

- (1) 2009 State Homeland Security Grant Program for \$1,029,193.00 to enhance State and local units of government to prevent, deter, respond to and recover from incidents of terrorism involving the use of chemical, biological, radiological, nuclear and explosive weapons and cyber attacks, in addition to day-to-day all-hazards scenarios.
- (2) 2009 Citizen Corps Program for \$29,193.00 to be used to support Citizen Corps councils with planning, outreach, and management of Citizen Corps programs and activities such as Community Emergency Response Teams and Neighborhood Watch.

Mr. Furfaro moved to approve C 2010-88, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Thank you very much.

Mr. Nakamura: Council Chair... We're back on page 1 of the council's agenda, Mr. Chair. We have communications for receipt on page 1, communication C 2010-78 and communication C 2010-80.

C 2010-78 Communication (02/23/2010) from the Director of Planning, transmitting the Planning Commission's recommendation to amend Condition No. 19 d) and e) of Ordinance No. PM-2004-370 related to the Kukui'ula Workforce Housing as recommended by the Kaua'i County Housing Agency: Mr. Chang moved to receive C 2010-78 for the record, seconded by Mr. Bynum, and unanimously carried.

C 2010-80 Communication (03/04/2010) from the Director of Parks and Recreation requesting Council consideration of a proposed resolution authorizing the acquisition of lands required for public use by eminent domain for the Lydgate-Kapa'a Bike and Pedestrian Path Project: Parcel 1 (Fee Simple) Tax Map Key: (4) 4-3-009-54 (Fee Simple) and Parcel 2 (Pathway Easement) Tax Map Key: Kaua'i 4-3-009-004 (Portion): Mr. Chang moved to receive C 2010-80 for the record, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

(?): Mr. Chair.

Chair Asing: Oh, I'm sorry. Wow. Rules are suspended.

There being no objection, the rules were suspended.

ROB ABREW: Good afternoon Council, Rob Abrew for the record. I really didn't know anything about this until it became on and I went and got the resolution here for this communication and this is...I guess it's...the County's going to start some eminent domain procedures for some tax maps for the Lydgate Kapa'a Bike/Pedestrian Path. I'd just like to say upfront, I think the path is a good idea, I enjoy the path, I love the path, I think it's a great asset to this County. My question is or my concern is this is being done is such a piecemeal arrangement that over the last six months I've seen legal documents come over here that are property adjustment agreements that have been worked out with community associations, boards of directors, and the county has gone in and signed agreements with them but state law states that in order for it to be final that the entire association needs to vote on it and they have to...I believe it's a 66% majority need to approve it and if they don't do that then that agreement is nil and the county's got to go and do an eminent domain procedure. One of the things...you know, reading the communication and the resolution, one of the processes of eminent domain is a hearing is scheduled at which the government must demonstrate that it engaged in good faith negotiations to purchase the property but that no agreement was reached. On the front page of the communication under parcel two, it says the county did talk with the owner of the property, but the owner has leased to an association of apartment owners, the complex Kapa'a Shore, a lease. So basically the owner couldn't go into an agreement with the county unless all those apartment owners took it up and agreed to it because of the lease. Because of the county, I believe, in land transfer titles that they have to honor the leases. So my question is

is good faith negotiations with the apartment owners done, was it done? You know, it was done with the owner but the owner really couldn't make that decision without the apartment owners. One of the other question is since once again the path has been realigned, I would think it would helpful to you guys and to the public and everything that if the planning or the parks department could bring in a map of all the properties along the property there through Waipouli and Kapa'a and color code it to what properties have been acquired, what properties...

Mr. Nakamura: Three minutes, Mr. Chair.

Mr. Abrew: ...are in negotiation...

Chair Asing: Okay, you want to finish up?

Mr. Abrew: ...what properties are in eminent domain so this council, further down the road, days and weeks, and years down the road understands how many more properties we have to get to acquire if we have to go through eminent domain to get those because the cost incurred during these down the road is...it could be substantial and that's just going to go in further down the road and I would think is if we could get, you know, a...just an upgrade from the planning, building department of what properties and what status they are of acquiring for this road.

Chair Asing: Thank you.

Mr. Abrew: Because once again we changed it, two month...a month and a half ago, the alignment.

Chair Asing: Thank you. Councilmember Bynum.

Mr. Bynum: Rob, thanks for your testimony. I think all of the questions you're asking are logical and appropriate questions because they're questions that I and other councilmembers have asked. So just specific to this situation, the prop...this is...we're talking about a 4-foot wide strip of land to acquire appropriate easement and this is my understanding based on that, the property owner does not object to that. It's just a pragmatic manner that this is a timeshare property, so there are...I don't know how many but probably more than a thousand owners and the logistics of finding all of those owners and getting to them and getting to that 65 or 70%, it's just logistically difficult, and so this is not an unfriendly action. It's just and it's fairly routine for these kind of projects. You're right that these pieces are coming over here one at a time because they're basically just legal documents and I'm unaware of any landowner where they haven't, you know, come to an agreement in discussions with the landowner where... So I'm unaware of any unfriendly things that are happening. It's just a matter of acquiring appropriate easements so the path is built properly and safely and having the right thing. The, you know, the Administration, last term, set up a committee, an internal administrative committee, and they've really done, I think, a really good job of keeping the council informed and they have been coming to council and doing reports, and so I don't think they would have...I can't speak for them, but I don't think they have any objection because they've done just that, you know, at least for us, and if there's public interest, just like these documents, they're public documents. Anybody can see them, but it's just kind of the normal logistics of doing this type of project and acquiring the easements and the land to do it properly. So, I hope that answered some of your questions.

Mr. Abrew: Yeah, thank you, Tim. My concern is once again is just reassuring the public by, you know, a 20-minutes, a 30-minute report that we could do on a PowerPoint that shows all the different parts we're going through and reassure the public that we've... we're in control of this project because I don't think there's been a really good update, detailed update of that for the entire public.

Mr. Bynum: I would assume that that time is coming up soon...

Mr. Abrew: Okay.

Mr. Bynum: ...for a quarterly update and you know, just while we're at it, because I've also heard concerns about oh, we don't know the costs are, every time they've done an update they bring a spreadsheet, they say exactly how much funds have been allocated from what...you know, so...these questions, I think they've done a really good job and it may be...you know, we can look into when's the next time they're coming but that was a good move from last term of putting the players together and having...setting that expectation that we not take council time every single week but on a quarterly basis make sure there's full transparency and disclosure and we can check and see when that's coming up again because I think your comments are appropriate.

Mr. Abrew: Thank you.

Chair Asing: Thank you. The meeting is called back to order, can we have the next item please.

There being no one else to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Nakamura: We have a motion and a second, Mr. Chair, and I think we just need to vote.

Ms. Kawahara: Oh, one more.

Chair Asing: Oh, one more, okay.

There being no objection, the rules were suspended.

JUAN WILSON: Juan Wilson, Hanapēpē Valley. I'm an architect and I've been working with a fellow named Jonathan Jay, and we looked at the easement lines in front of the Coco Palms along Wailua Beach and it's quite possible that with that planter box being eliminated that the bike path can be on the mauka side of the stone wall that exists now and I was wondering and I haven't asked whether or not you have that plan in consideration, whether or not you have that plan or reviewed it and are aware that it's possible to...to do that with the bike path without realigning the highway and moving the DOT right-of-way.

Chair Asing: I can't answer that. I can find out and get back to you. I cannot answer it right now.

Mr. Wilson: Well, I can...I can provide a plan to you, a scale drawing overlay over the DOT's plan that shows the bike path mauka of the wall with the planter box on the Coco Palms side eliminated if that planter is taken out of the picture.

Chair Asing: Okay. Well, if you can...why don't you...can you send us something in writing and then we...

Mr. Wilson: I will send you a drawing.

Chair Asing: Okay.

Mr. Wilson: A scale drawing.

Chair Asing: Okay. Then we'll...we'll send something in writing back to you.

Mr. Wilson: I think if the county were to push this forward that the DOT would have no problem with making this adjustment.

Chair Asing: Okay, thank you.

Mr. Wilson: All right.

Chair Asing: Is there anyone else?

WALDEEN K. PALMEIRA: Aloha.

Councilmembers: Aloha.

Ms. Palmeira: Waldeen K. Palmeira. First of all, I'd like to know if you are on that item concerning the eminent domain required for the bike path?

Chair Asing: Are you... you're not talking about the resolution, are you?

Ms. Palmeira: Okay, you're doing the communication?

Mr. Bynum: Yes.

Chair Asing: You're talking about two...item 2010-80?

Ms. Palmeira: Well are you on C...

Chair Asing: We're on 2010-80 on page 1.

Ms. Palmeira: Yes.

Chair Asing: Okay, go ahead.

Ms. Palmeira: I am also. My question is, are you voting on it today?

Chair Asing: No. When you say we're voting on it...this is the communication...

Ms. Palmeira: Okay.

Chair Asing: ...which is making reference to the resolution which is on page 6.

Ms. Palmeira: I have the resolution.

Chair Asing: We will...yes, we will be voting on it, but we will be voting on it to send it to public hearing.

Ms. Palmeira: I see.

Chair Asing: That's the intent, to send it to public hearing and after the public hearing, it will be coming back and put on the agenda, and then we will then vote on it.

Ms. Palmeira: Okay.

Chair Asing: But it's going to be voted only to move it to public hearing first.

Ms. Palmeira: Alright, well I just wanted to make a few comments.

Chair Asing: Sure.

Ms. Palmeira: And the comments for this specific item concerns the public interest in lands that are actually of land claim awards or applications and because it's not...at this point you're not going to voting on it, I won't comment too much on it at this point, but I do have questions for the council regarding the...this project. In the...there was a reevaluation that was conducted and I would like to know if the County Council has been aware of the reevaluation process and has been aware of specific details. Are you...have you been made aware of particular details concerning the Environmental Review or the Historic Preservation Review of this project?

Chair Asing: I...

ALFRED B. CASTILLO, JR., County Attorney: Council Chair.

Chair Asing: Yes, go ahead.

Mr. Castillo: Al Castillo, County Attorney. I think the public will be able to...you know this is not a question and answer at this point in time. I just wanted to...

Ms. Palmeira: Okay, well then just let me make a few comments then.

Chair Asing: Sure, go ahead.

Ms. Palmeira: Okay. We had made...after the reevaluation of this project, we had been asking the County of Kaua'i and the State of Hawai'i, Department of Transportation and the Hawai'i Division Federal Highways Administration for information concerning the reevaluation of this project. And the reason is that we are opposed to the project in terms of violations of the National Environmental Protection Act, the National Historic Preservation Act. The relocation of the path in Wailua concerns...it is...concerns a major change. It is also in a segmentation with the Kūhiō Highway project. The reevaluation produced this

coastal alignment which you are now engaged with in terms of the eminent domain of properties. That change, that major change actually requires under CFR 771...it requires public review, environmental review, and that was not conducted as part of this reevaluation. There are other violations, like I said, the National Historic Preservation Act. The path on Wailua Beach which involves at this point the destruction of the rock wall and cultural...traditional cultural properties including traditional Hawaiian burial grounds called mahuna pu'uone as well as a heiau, also of the same name. Within the National Historic Preservation Act and Section 106, which we were excluded from, native Hawaiians were excluded from the Section 106 process in the reevaluation of this project. So in other words, we were not able to identify the historic properties which are under Section 4f of the Department of Transportation Act as required for it to be protected because they are significant historic properties. So this violation of Section 4f of the DOT Act is immensely concerning regarding this reevaluation project and actually that violation was in place from the beginning of the Lydgate to Kapa'a bike path.

Mr. Nakamura: Three minutes, Mr. Chair.

Chair Asing: Thank you.

Ms. Palmeira: Again, I hope that the County Council of the island of Kaua'i can also, like myself, review the National Environmental Protection Agency requirements for this path because we are requesting of the Environmental Protection Agency to review this project.

Chair Asing: Thank you.

Ms. Palmeira: Thank you very much.

Chair Asing: Is there anyone else? If not I'd like to call the meeting back to order, we have a motion on the floor to receive, any further discussion? Yes, go ahead, Councilmember Bynum.

There being no one else to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Bynum: I just wanted to point out that I appreciate the Council Chair and the County Attorney allowing latitude for the people to speak in the public, but this agenda item is related to an area of Kapa'a near...near Ala Road and Niulani Road is not involving the area of the path near Wailua Beach.

Chair Asing: Yes. Okay, any further discussion? If not all those in favor say, aye.

The motion to receive C 2010-80 for the record was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: We're on page 2 of the council's agenda, Mr. Chair, a matter for receipt is communication C 2010-81.

C 2010-81 Communication (03/08/2010) from the Director of Finance, transmitting for Council information Period 7 Financial Reports – Statement of Revenues as of January 31, 2010, pursuant to Section 17 and Section 20 of the Operating Budget Ordinance (B-2009-690): Mr. Chang moved to receive C 2010-81 for the record, seconded by Mr. Kaneshiro, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter for receipt is communication C 2010-83.

C 2010-83 Communication (04/05/2010) from Councilmember Lani T. Kawahara, requesting the presence of the Director of Parks & Recreation to discuss the results of the “Shared Use Path Survey”: Mr. Bynum moved to receive C 2010-83 for the record.

Ms. Kawahara: They’re gonna...oh yeah, defer...refer?

Chair Asing: Any...any discussion?

Mr. Bynum: Oh, yeah, yeah, I’m sorry.

Chair Asing: Peter.

Ms. Kawahara: Is it to move to refer?

Mr. Nakamura: This one...

Mr. Bynum: Request was for deferral, I...I apologize.

Mr. Furfaro: No, you said receive. I’ll make a move to...you wanted to defer.

Mr. Nakamura: The motion, I believe, would be to refer this to next week’s Parks and Transportation Committee meeting.

Mr. Bynum: Oh, that’s why there’s an “R” on my notes. It’s not re...it’s refer. Move to refer to the Parks and Transportation Committee.

Chair Asing: Okay. Can I have a second to that?

Mr. Kaneshiro: Second.

Mr. Bynum moved to refer C 2010-83 to the Parks/Transportation Committee, seconded by Mr. Kaneshiro.

Chair Asing: Any discussion?

Mr. Furfaro: Yes, clarification.

Chair Asing: Yes, go ahead.

Mr. Furfaro: If it just was deferred for the one time, Peter, wouldn’t it come back?

Mr. Nakamura: It would come back to the next council meeting agenda. It would not show up on next week's committee meeting agenda, Vice Chair.

Chair Asing: Okay? Any further discussion?

Mr. Furfaro: I'm just sorry. I think we just told all the people that we're here, that it was the 21st. Is that next week?

Ms. Kawahara: That is next week.

Mr. Nakamura: That would be next week.

Mr. Furfaro: I better reset my clock.

Chair Asing: Okay, further discussion? All those in favor say, aye.

The motion to refer C 2010-83 to the Parks/Transportation Committee was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter for receipt is communication C 2010-84.

C 2010-84 Communication (04/08/2010) from Councilmember Derek S. K. Kawakami, providing written disclosure of a possible conflict of interest relating to PWE 2010-3 as he serves in various capacities with the HSK Corporation, which owns property in the subject area, and recusing himself from any discussion and deliberation on this item: Mr. Kaneshiro moved to receive C 2010-84 for the record, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next item for approval is communication C 2010-85.

C 2010-85 Communication (01/21/2010) from the Chief of Police, requesting Council approval to accept and acquire ownership of a forfeited vehicle from the State of Hawai'i Department of the Attorney General, a 2001 Toyota Tacoma, 4x4 double cab pickup (vehicle identification number 5TEHN72N51Z755426), to replace a 1995 Toyota, T100 4x2 pickup (vehicle identification number JT4VD12F9S0004102), to be utilized for law enforcement purposes in accordance with Hawai'i Revised Statutes §712A-16(3): Mr. Chang moved to approve C 2010-85, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter for approval is communication C 2010-86.

C 2010-86 Communication (02/16/2010) from the Chief of Police, requesting Council approval to accept a donation of \$500.00 from Ben and Kristin Hannah of Anini Beach for the purchase of equipment for the Hanalei Station: Mr. Chang moved to approve C 2010-86 with a thank-you letter to follow.

Chair Asing: Can I have a second?

Mr. Bynum: Second.

Mr. Chang moved to approve C 2010-86 with a thank-you letter to follow, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter for receipt is communication C 2010-87.

C 2010-87 Communication (03/02/2010) from the Chief of the Building Division, Department of Public Works, transmitting for Council information, the Building Permit Information Reports for February 2010:

- (1) Building Permit Processing Report
- (2) Building Permit Estimated Value of Plans Summary
- (3) Building Permits Tracking Report
- (4) Building Permits Status

Mr. Furfaro moved to receive C 2010-87 for the record, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: On page 3 of the council's agenda, the next matter for approval is communication C 2010-89.

C 2010-89 Communication (03/08/2010) from the Prosecuting Attorney, requesting Council approval to apply for, receive and expend federal funds from the Federal FY 2009 Recovery Act; STOP Violence Against Women Formula Grant for \$77,711.00 to continue the Domestic Violence Prosecution Unit, and approval to indemnify the State of Hawai'i, Department of the Attorney General: Mr. Furfaro moved to approve C 2010-89, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next communication for approval is communication C 2010-90.

C 2010-90 Communication (03/17/2010) from the Prosecuting Attorney, requesting Council approval to expend \$3,163.52 from State Asset Forfeiture Funds (Account #251-0401-513.62-01/Small Equipment, Project A08101) to purchase furniture for a new interview room in the Prosecuting Attorney's office: Mr. Bynum moved to approve C 2010-90, seconded by Mr. Furfaro, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter is communication C 2010-91.

C 2010-91 Communication (03/30/2010) from Derek S. K. Kawakami, Hawai'i State Association of Counties (HSAC) President, requesting Council approval of the HSAC Budget for the Fiscal Year 2010-2011 and approval of the slate of HSAC officers for the Fiscal Year 2010-2011 as follows:

Derek S.K. Kawakami (Kaua'i) – President
• Daryl W. Kaneshiro (Alternate)
Nestor Garcia (Honolulu) – Vice President
• Romy Cachola (Alternate)
Joseph Pontanilla (Maui) – Treasurer
• William "Bill" Medeiros (Alternate)
Dennis "Fresh" Onishi (Hawai'i) – Secretary
• Kelly Greenwell (Alternate)

Mr. Furfaro moved to approve C 2010-91, seconded by Mr. Bynum.

Chair Asing: Hang on, we have someone who wants to speak on this item. I'd like to suspend the rules.

There being no objection, the rules were suspended.

Chair Asing: Mr. Taylor.

KEN TAYLOR: Chair, members of the council my name is Ken Taylor. I really have a question more than a comment and that was in reference to the budget for HSAC, what is that amount, please?

Ms. Kawahara: The total.

Chair Asing: You know what the budget amount is?

Mr. Furfaro: It's right here.

Ms. Kawahara: I don't know (inaudible) total.

(?): What is it?

Ms. Kawahara: The total.

Mr. Furfaro: He wants the total budget, I think.

Chair Asing: He's looking for the total budget, I didn't...

Mr. Furfaro: Do you want Kaua'i's portion?

Mr. Taylor: Well, it says here you're approving the budget for fiscal year 2010-2011. It doesn't break it down by county. It's the whole budget. But I raise the issue only because I think from time to time there's inadequate information listed on these items, on the agenda and...

Ms. Kawahara: Oh, here.

Mr. Nakamura: Council...

Mr. Taylor: They should...

Mr. Nakamura: Council Chair.

Chair Asing: Yes.

Mr. Nakamura: On the transmittal from the current Hawai'i State Association of Counties Treasurer Maui Councilmember Pontanilla, the proposed budget for the 2010-2011 fiscal year for the Hawai'i State Association of Counties is \$139,535.

Chair Asing: Thank you. Is there anyone else? If not I'd like to call the meeting back to order. And we have a motion on the floor.

There being no one else to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Furfaro: I have comments.

Chair Asing: Yes, go ahead.

Mr. Furfaro: First of all, I want to thank Councilmember Kawakami for his first term as the leadership and I am very pleased to see that amongst his colleagues from the other counties, he has once again been identified to lead the group amongst the counties and I think that he just deserves a thank you. Thank you very much.

Chair Asing: Thank you. I also concur and congratulate both Councilmember Kawakami and alternate Kaneshiro, Councilmember Kaneshiro thank you very much. With that, any further discussion? Councilmember Bynum.

Mr. Bynum: I just want to say here, here.

Chair Asing: Okay, any further discussion?

Ms. Kawahara: Same, same.

Chair Asing: Yes. Go ahead.

Ms. Kawahara: Good job.

Chair Asing: Okay, with that all those in favor say, aye.

The motion to receive C 2010-91 for the record was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next communication for receipt is communication C 2010-92.

C 2010-92 Communication (03/31/2010) from the Director of Finance, requesting Council consideration of a proposal to reduce the funding for the Hanapēpē/Waimea Levee Project in the Capital Improvements Bond Fund Budget by \$635,315.00, as the Department of Public Works will be able to perform some of the tasks in-house with equipment being requested in the upcoming fiscal year 2011 budget, thus allowing the Department of Finance to reconcile the county's capital

improvement budget with the county's bond ordinance to not exceed \$60 million: Mr. Kaneshiro moved to receive C 2010-92 for the record, seconded by Mr. Bynum.

Chair Asing: Hang on. Yes, come up please. The rules are suspended. Mr. Wilson.

There being no objection, the rules were suspended.

Mr. Wilson: My name is Juan Wilson, excuse me, I live behind the levee and I have a piece of...a handout for you guys which is this handout. The idea of cutting back \$635,000 and letting the county kind of do ad hoc solutions to the problems there, they are part of the problem we have with the levee. Since 2006 the levee has been stripped of every bit of vegetation on it. It's been sprayed with pesticides on a regular basis, the last time was Monday. People have mowed and chopped down every tree on it, and consequently, the levee is now dead, I mean the sides of it. They are eroded. When it rains, the mud runs off of them. The bank undercutting has gotten worse since the county has been doing work there. Only the upper parts of the river that still have a natural embankment seem to be holding together and the ad hoc solutions of adding a few concrete blocks here or there or throwing a pile of boulders wherever there's a crack in the side of the wall is not doing the job of fixing the problem or getting the levee to be recertified again. It's a decertified levee. As far as the Army Corp of Engineers or the Home Insurance people are concerned, we don't have a levee technically anymore, and I would say that instead of reducing money, there was supposed to be a half a million dollars to re-grade and refinish the surface of it with living material. That has not happened. So for four years we have a blight. The tourists that come to the swinging bridge look out over a Martian moon-like landscape and turn around and go back and wonder why there isn't anything alive in Hanapēpē Valley. I would say that the county's efforts should be stopped currently. They should not be spraying, they should not be mowing as they are, they should not be chopping down trees, and a new plan that's engineered and will solve the problem and get our dikes recertified, our levees recertified needs to be put in place because the path we're on now is one in which that area will fail somewhere along a wall and we'll be inundated and washed away. So, I noticed this is the only public debt decrease in all of the items here. Everything, whether it's the federal government spending a million dollars on anti-terrorism devices or whatever, everything here has increased public debt except for this item and this is a life safety issue. There are communities on both sides of that river that their lives are endangered by the current practices that are going on there. Thank you very much.

Chair Asing: Thank you. You know it is...it is...

Mr. Wilson: Do you have any questions? I'd be glad to answer them.

Chair Asing: Yes, I just want to clarify something. The only reason for this reduced budget funding is that the \$635,315 is because it's over the \$60 million cap for the bond fund. So that's the only reason for this and they are able to do the job as...

Mr. Wilson: Well, it says here in lieu of that expenditure that in-house equipment will be used for fiscal year 2011.

Chair Asing: Yes.

Mr. Wilson: My suggestion is that...

Chair Asing: They are able to do it.

Mr. Wilson: ...in-house equipment is being misused and the solutions of putting some rocks and just piling them up someplace, these are not engineered solutions. The money and equipment that's now being spent is being misused. And consequently, we'd be better off if no money was spent and it just grew over in a natural environment again than what the county is doing now.

Chair Asing: Okay, thank you. Go ahead.

Ms. Kawahara: I have a question because I'm...oh, sir? Mr. Wilson. When you're speaking about the work that's being done in-house...

Mr. Wilson: Right.

Ms. Kawahara: ...and your concern about it happening upcoming, is it your understanding that the work that's being done is not being supervised or managed by the Army Corp of Engineers?

Mr. Wilson: Well...

Ms. Kawahara: My understanding is that that's who's in charge of the project.

Mr. Wilson: Well, if you look at the illustrations and the handout I have, you'll see a couple places, for example, where some metal poles are stuck into the embankment and some people have casually placed some boulders against them in an obvious attempt to try and keep Ko Road from sliding into the Hanapēpē River. That's not an engineered solution, that's an ad hoc solution. It might last a few weeks or a good storm, but it's not a solution to the problem. All the solutions I've seen that are being carried on by the county and bless them for doing it, I'm glad they're doing something, are ad hoc solutions that are not engineered, they're not part of a solution to our problem. The places where they put concrete block and stack them up, from what I... I was there when they were doing that work, I didn't see any preparation...subsurface to make those things stable and if you look at them, they're kind of toppling over around the culverts, they're kind of leaning over. Those blocks that have been placed there were put there and one day when the county people came down and said see we're doing something and there's about 50 feet of it and there's about 2,000 feet of undercut embankment there. I mean that's not...it's not a solution to the problem.

Ms. Kawahara: So my following question is...thank you for bringing this to our attention, but is it...is it your understanding that you're...are you assuming that these projects are the ones that the county is going to be undertaking again rather than the Army Corp of Engineers are going to be doing this part?

Mr. Wilson: Well...

Ms. Kawahara: Because we don't really know what projects the county is going to be undertaking with the...when it says they're doing the in-house task. Are you aware of what specific the in-house tasks are going to be?

Mr. Wilson: Well, I think one of the ones that has been going on for four years and apparently will continue is spraying pesticides unannounced on the eastside of the lower part of that levee and the residential houses are right on the other side of that, I know of two cases of illness that were incurred by early morning spraying of something like Roundup where the mist went over the wall and got people sick.

Ms. Kawahara: Okay.

Mr. Wilson: One woman, I won't go into details, but one woman claimed to have a miscarriage as a result of it, an older woman had an asthmatic attack as a result of it, and those sprayings are not doing anything positive for the tourism industry, for the health of the people on the other side of the wall, or for the embankment strength and reinforcement.

Ms. Kawahara: Okay. I will follow up on that but that...the other part of the engineering and the structural stuff, I don't know that I would assume that the county is taking over or continuing to do what's being done here on an ad hoc basis. So that's why I was asking if there was an assumption being made that these were the projects that were going to be done again by the county or we're going to be part of the project that the Army Corp of Engineers is going to be supervising.

Mr. Wilson: Well, as far as I understand there are certain things the county has been asked to do by the Army Corp, like strip all the levees of all there material so that they can do examinations and analysis, that was four years ago and we've had two times since then we've had to be evacuated out because of high water.

Ms. Kawahara: So was the request to the Army Corp of Engineers though?

Mr. Wilson: Is there a request of them?

Ms. Kawahara: It was the request of the Army Corp of Engineers to strip this out?

Mr. Wilson: Some...yes, as I understand it from what the county told me, the county was told they've got to clean the embankments so they can see what's going on there and I understand that. They also cut down the only palm tree along the embankment of the river which has been painted by many artists several times, and I didn't, I can't get a clear answer as to why they cut the only palm tree down that was there or the noni tree or you know whatever. So I don't know where the orders are coming from or what money is being spent, but time and money is being spent to do these things. Are they the right things to be doing at this time? I don't know. Certainly less money and less activity could be beneficial if what they're doing is wrong because if it's right, I wouldn't be pulling money out of this thing. I mean I think as someone that lives behind that wall, my life is dependent on it. I'm lucky I have flood insurance now because if I was moving there now, I wouldn't have any because there's no...technically there's no levee there.

Ms. Kawahara: Yeah and I'm concerned about that too, that's why I was wondering...I thought the project was supposed to be meeting all those standards and that's why I'm glad you're patient with my questions because I've

been seeing stuff come through that's about the Army Corp of Engineers taking care of those issues and making it in compliance. So thank you for answering my questions.

Mr. Wilson: All right. I'm glad to.

Chair Asing: Councilmember Furfaro.

Mr. Furfaro: My question is to the councilmembers, not to the individual.

Chair Asing: Okay, thank you. With that, the meeting is called back to order, and go ahead.

There being no one else to speak on this matter, the meeting was called back to order, and proceeded as follows:

Mr. Furfaro: Yes, thank you. May I ask that we, since we got this documentation in front of us, Mr. Bynum, may I ask that you at the soonest available time, you can... we could send a communication over to public works and just get a briefing on what is the understanding that we have with the Army Corp of Engineers as to the vegetation, the strengthening of the wall or the instructions we got from them about removing it so they can do their inspection, but you know I'm not going into anything other than the engineering products that they're trying to comply to some support they're getting from the Army Corp of Engineers. If we could put that in your committee, I would certainly appreciate it.

Mr. Bynum: Absolutely and you know, I realized from this testimony today I was thinking along the same lines that I remember getting correspondence from Ms. Harmon and doing a follow-up, and you know, I was under the impression we were proceeding with mitigating the problems there, but they're raising questions I don't have the answer to so we'll ask for that kind of follow-up from public works.

Mr. Furfaro: And on the other side, you know, I can support this request at first blush, Mr. Chair, but I just...depending on what we get from the... you know we may have to find the money to support the (inaudible).

Chair Asing: Yeah, well you know the reason for this communication is merely to say that, you know, we're over the \$6 million cap and we need to take out that money because we're over the cap.

Mr. Bynum: Right.

Chair Asing: And we needed to do that.

Mr. Furfaro: I understand that.

Chair Asing: I mean that's the reason for this. Okay. So with that, any further discussion? Okay you want to come up? Go ahead.

There being no objection, the rules were suspended.

LINDA HARMON: Hi, my name is Linda Harmon and I live in Hanapēpē Valley. Dear County Council, the county risks the safety of many residents of Hanapēpē Valley if it doesn't shore up the levee there. A county public works engineer in a position of knowing told a group of us last year when asked about how much money was required to shore up and make the levee certifiable by the Army Corp of Engineers, the answer was he didn't know, but it may be hundreds of millions of dollars worth of reinforcement work from all he was hearing. We are now waiting for work to be done. In the meantime I live with the reality that the levee may give way during an unseasonable downpour like what we saw on the North Shore last fall...the cause... and caused the levee to break, sending tons of vast...sending tons of fast moving water onto me and my neighbors. The county has so far allocated some six hundred and some thousand dollars for repair for both Waimea and Hanapēpē levees, falling far short of the suggested amount required to fix the levees. To move any of this money away from the task at hand would be very short-sighted and negligent. Thank you.

Chair Asing: Thank you. I'd like to call the meeting back to order, thank you very much and then what we will be doing...

The meeting was called back to order, and proceeded as follows:

Ms. Kawahara: Oh, there might be another speaker.

Chair Asing: What's that?

Ms. Kawahara: There might be another speaker.

Chair Asing: Mr. Taylor? Okay, thank you.

Ms. Harmon: Thank you. Do I...do I leave this?

Ms. Kawahara: You can. Please, if you can give it to one of our staff?

Ms. Harmon: Okay.

Ms. Kawahara: Thank you very much, Linda.

There being no objection, the rules were suspended.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. I don't live out on the Westside by these two levees, but I know and understand that there's a very big problem out there, the fact that they cannot be certified. And what's disappointing to me is not only to see this money being transferred away for any short-term activity that could be dealt with, the fact that the county has seen fit to move forward with spending millions of dollars upgrading a sewer treatment plan out that way that allows more development, but we won't spend any money or allocate any money to fix the levee which is life saving activity to protect the folks that are currently there. I think this is wrong. I think it's terribly wrong and I don't think that the county has done a good job in the stewardship of funds for the Westside when they allow money to be spent that allows more development and at the same time don't allocate necessary and push...this thing should be top priority, pushing forward to whatever has to be done. Let's get it done so we can get these levees certified. I think it's sinful to just

brush this off as... if it's another, another problem. It's not a pothole in the road. It's a serious life threatening potential and it's not being properly addressed by the county, thank you.

Chair Asing: Thank you. Mr. Taylor, you know, that might be your assessment and that may not be a true statement. What we are trying to do here on the council is take this information and pass it on to the administration for their follow-up so we can find out exactly what's happening. So that's what we're trying to do.

Mr. Taylor: I understand, but you're...

Chair Asing: We're trying to help.

Mr. Taylor: You're willing to take away any funds...

Chair Asing: We have to take that away because it is over and above the six million...sixty million dollar cap, we have a cap.

Mr. Taylor: Take it away from the sanitary district project, not this project.

Chair Asing: That's what you feel, they have a different idea and we're going to move in that area and find out what's happening to this project.

Mr. Taylor: I hope so, thank you.

Chair Asing: Okay? Thank you. With that, go ahead.

Mr. Furfaro: I just want to add here, before we jump to those conclusions, we borrowed and got approved \$60 million. The bids are coming in, we're trying to reconcile that amount and where we're going to spend it. If you follow, we're only going to move to receive this communication. This will come up in a public hearing on May 12, it will then follow up in Committee on May 19. During that period of time, we're asking Mr. Bynum's Committee to actually spend some time with the engineering department so we clearly understand the recommendations and if I said earlier, if we then have to look for additional moneys that will be our task. But there's two different things going on here. This is trying to move this communication for the administration for us to receive their message, their communication. The Council on May 12, on May 19 and also in a to be determined date, will be reviewing their particulars, so please don't jump to final conclusions. I appreciate this documentation we got today because it will provide us some excellent opportunities to ask questions about engineering. Thank you, Mr. Chair.

Mr. Taylor: Thank you.

Chair Asing: Thank you. Go ahead, Councilmember Bynum.

Mr. Bynum: Ken, I just want to say that I'm the chair of the public works and so it's my kuleana to follow up on concerns here and you know I remember receiving testimony regarding this issue some time ago, I know from Ms. Harmon and others. And you know, I asked for an update and to understand what the issues were. I realize from this and, that's what's great about the public process, from this that it's time for that again. Juan, Mr. Wilson, has raised some

questions I don't know the answers to. I like it when people come up and I know the answers. When I don't, I think it's my responsibility to get the answers, but I didn't read this agenda item as any lack of commitment to address this but just a procedural thing. So you shouldn't see this money being removed from this as a lack of commitment necessarily to address the issue and we will follow up and, but, you know your testimony is kind of strong. I think you said sinful and I don't think our intent is...at least my intent isn't to not address it, so.

Mr. Taylor: Well, I can just say if I may, if this removal was from a project that was going to allow more development in the area, that would be one thing, but the fact that it's listed as an item that will potentially create a problem by not moving forward with resolving the certification of the levees, I think it's a big issue and I'm sorry that we misunderstood what's being put here, but it's...maybe just needs to be better clarified when these things are written up.

Mr. Bynum: And we'll attempt to do that, but...because I think the Chair has explained it, it's not really about the project, it's about procedurally.

Mr. Taylor: And I appreciate Jay's comments too that it's going to be coming back for public and there will be more information and I hope that when that information's available, it is disseminated to the neighborhood people out there and people that have concerns. Thank you.

Chair Asing: And I'd also like to comment too, Mr. Taylor, you know you may not be accurate in your comment regarding the Waimea Sewer Plant area because we have some problems there that are safety issues that we need to handle also, so you may not be getting the full picture of why we're spending the money we're spending there. There are health and safety concerns that we're trying to address also. So I want to also make that clear to you.

Mr. Taylor: Thank you.

Chair Asing: Thank you. I'd like to call the meeting back to order and just make one comment before we vote on it. I'd just like to thank Mr. Wilson for all of this information. I think this is helpful and we will be passing this on to the public works department so that they can be provided information that will help them. Thank you, with that we have a motion on the floor, all those in favor say, aye.

The meeting was called back to order, and proceeded as follows:

The motion to approve C 2010-93 was then put, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: We're on page 4 of the council's agenda, Mr. Chair, on communication C 2010-95 and 2010-96. Could we ask that these items be moved to the end of the agenda until after the Executive Sessions?

C 2010-95 Request (04/06/2010) from the Office of the County Attorney for authorization to expend additional funds up to \$10,000.00 to engage special counsel's continued representation in the lawsuit entitled King C. Lum v. Kaua'i County Council, et al., Case No. 08-16093 (U.S. Court of Appeals, 9th Cir.) and related matters.

C 2010-96 Request (04/06/2010) from the Office of the County Attorney for authorization to expend additional funds up to \$60,000.00 to engage special counsel's continued representation in the lawsuit entitled Kristan C. Hirakawa v. County of Kaua'i, Civ. No. CV09-00247 JMS/LEK (U.S. District Court, District of Hawai'i) and related matters.

Chair Asing: Thank you.

Mr. Furfaro motioned to move C 2010-95 and C 2010-96 to the end of the agenda, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter on page 4 are two... is a Legal Document, communication C 2010-97.

LEGAL DOCUMENT:

C 2010-97 Communication (03/04/2010) from the Director of Housing, requesting Council approval to authorize the County Clerk to execute the Housing Agreement (Allowable Density for Subdivision No. S-2008-21) for Princeville Prince Golf Course, LLC; Tax Map Key No. (4) 5-3-006:014 (Lot 2-A-1), Princeville, Kaua'i, Hawai'i:

- Housing Agreement (Allowable Density for Subdivision No. S-2008-21)

Mr. Bynum moved to approve the legal document attached to communication C 2010-97, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next legal document for approval is attached to communication C 2010-98.

C 2010-98 Communication (03/04/2010) from the Director of Parks and Recreation, requesting Council approval of a grant of non-exclusive easement to secure a shared-use path easement at Lihi Park (TMK 4-4-5-06:1):

- Grant of Non-Exclusive Easement by and between the State of Hawai'i, by its Board of Land and Natural Resources, and the County of Kaua'i, Department of Parks and Recreation granting non-exclusive and perpetual easement rights in, over, under and across that certain parcel of land ("easement area") situate at Kapa'a, Kawaihau, Kaua'i, Hawai'i, being identified as "Perpetual Non-Exclusive Access, Landscaping and Maintenance Easement, Easement M-1" (Tax Map Key No. (4) 4-5-006:001 Por.).

Mr. Chang moved to approve the legal document attached to C 2010-98, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matters are claims on page 5, communication C 2010-99, claim filed against the county by Ashley Taylor; communication C 2010-100 which is a claim filed against the county by Gale Carswell; communication C 2010-101 which is a communication...which is a claim filed against the county by Michael J. Rothman and Nadine S. Schwartz; communication C 2010-102 which is a claim filed against the county by Kristina Gadek of the Hartford as subrogee of Nora Masuda.

CLAIMS:

C 2010-99 Communication (03/18/2010) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Ashley Taylor for false arrest, illegal entry, and excessive force, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-99 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Bynum, and unanimously carried.

C 2010-100 Communication (03/29/2010) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Gale Carswell for personal injury, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-100 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Bynum, and unanimously carried.

C 2010-101 Communication (03/29/2010) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Michael J. Rothman and Nadine S. Schwartz for reimbursement of their financial loss, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-101 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Bynum, and unanimously carried.

C 2010-102 Communication (03/30/2010) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Kristina Gadek of The Hartford, as subrogee for Nora Masuda, for damage to insured's vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Furfaro moved to refer C 2010-102 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Bynum, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matters for approvals are Committee Reports from the Committee on Planning, committee reports No. CR-PL 2010-07 and CR-PL 2010-08.

COMMITTEE REPORTS:PLANNING COMMITTEE REPORTS:

A report (No. CR-PL 2010-07) submitted by the Planning Committee, recommending that the following be received for the record:

"Bill No. 2022 – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 8 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COMPREHENSIVE ZONING ORDINANCE,"

Mr. Furfaro moved for approval of the report, seconded by Mr. Bynum, and unanimously carried. (*See later for Bill No. 2022*)

A report (No. CR-PL 2010-08) submitted by the Planning Committee, recommending that the following be received for the record:

“Bill No. 2023 – A BILL FOR AN ORDINANCE TO AMEND
CHAPTER 10 OF THE KAUAI COUNTY CODE 1987, AS AMENDED,
RELATING TO SPECIAL DEVELOPMENT PLANS,”

Mr. Furfaro moved for approval of the report, seconded by Mr. Bynum, and unanimously carried. (*See later for Bill No. 2023*)

Chair Asing: Next item please.

Mr. Nakamura: Next matter for approval are Resolutions. The resolution is Resolution No. 2010-29.

RESOLUTIONS:

Resolution No. 2010-29, RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE BOARD OF WATER SUPPLY (Dee Crowell): Mr. Furfaro moved to adopt Resolution No. 2010-29, seconded by Mr. Kaneshiro, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-31.

Resolution No. 2010-31, RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2010 ACTION PLAN (HOME INVESTMENT PARTNERSHIPS PROGRAM) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE II OF THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT (PUBLIC LAW 101-625) AS AMENDED: Mr. Chang moved to adopt Resolution No. 2010-31, seconded by Mr. Furfaro, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please.

Mr. Nakamura: Next resolution for approval is Resolution No. 2010-32.

Resolution No. 2010-32, RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2010 ACTION PLAN (COMMUNITY DEVELOPMENT BLOCK GRANT) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER

TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AND 1987 (PUBLIC LAWS 93-383 AND 100-242) AS AMENDED: Mr. Chang moved to adopt Resolution No. 2010-32, seconded by Mr. Furfaro, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please.

Mr. Nakamura: Last resolution is Resolution No. 2010-34.

Resolution No. 2010-34, RESOLUTION AUTHORIZING THE ACQUISITION OF THE FEE SIMPLE INTEREST IN LANDS REQUIRED FOR PUBLIC USE, TO WIT: THE PEDESTRIAN AND BICYCLE PATH WHICH CONSTITUTES PART OF PUBLIC PARK SYSTEM, SITUATE AT WAIPOULI, DISTRICT OF KAWAIHAU, COUNTY OF KAUAI, HAWAII, AND DETERMINING AND DECLARING THE NECESSITY OF THE ACQUISITION THEREOF BY EMINENT DOMAIN: Mr. Furfaro moved to schedule public hearing for May 12, 2010, and that it thereafter be referred to the Parks/Transportation Committee.

Chair Asing: What I'd like to do is have a motion to move this to schedule a public hearing on May 12, returning to the council meeting on May 26 for passage.

Mr. Bynum: So moved.

Mr. Furfaro: Seconded.

Mr. Bynum moved to schedule a public hearing for Resolution No. 2010-34 on May 12 and that it thereafter be returned to the council at its May 26 meeting, seconded by Mr. Furfaro.

Chair Asing: Any discussion? Roll call please.

(Inaudible.)

Chair Asing: Okay. Please add that the...it will be published in the paper for the public hearing.

(Inaudible.)

Chair Asing: Okay. I'm told by staff that it should be a requirement that I notify the public that it's going to be laid on the table per the Charter. So with that, can I have that included in the motion.

Mr. Bynum: So moved.

Mr. Furfaro: So moved.

Chair Asing: Thank you. With that, can we have the roll call now? Go ahead Peter.

Mr. Nakamura: Council Chair...

Chair Asing: Yes.

Mr. Nakamura: Can I ask for a 5-minute recess, please?

Chair Asing: Sure.

There being no objection, the meeting was recessed at 4:18 p.m. The meeting was called back to order at 4:38 p.m., and proceeded as follows:

Chair Asing: The meeting is called back to order. What I'd like to do is have the motion that we just made withdrawn so could you...

Mr. Furfaro: Since I made that motion, I will withdraw it.

Chair Asing: And the second withdrawn, Mr. Bynum?

Mr. Bynum: Yes.

Chair Asing: Okay. With that, can we have the new motion?

Mr. Furfaro: Yes, I'll make the new motion that we schedule the public hearing on May 12 and refer it to the Parks and Transportation Committee by May 19...

BC, Videographer: Check your mike, Jay, please.

Mr. Furfaro: Okay, I'll read again the motion to schedule the public hearing on May 12 and refer to the Parks and Transportation Committee for May 19, and look forward to taking final action on May 26.

Chair Asing: Thank you, can I have a second?

Mr. Bynum: Second.

Mr. Furfaro moved to schedule a public hearing on Resolution No. 2010-34 and to refer it to the Parks/Transportation Committee, seconded by Mr. Bynum.

Chair Asing: With that, any further discussion? If not, roll call please.

FOR PASSAGE:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0.

Chair Asing: Next item please.

Mr. Nakamura: Next matters are Bills for First Reading, first bill for first reading, Bill No. 2361.

BILLS FOR FIRST READING:

Bill No. 2361 – A BILL FOR AN ORDINANCE AMENDING CONDITION NO. 19 OF ORDINANCE NO. PM-2004-370 RELATED TO THE KUKUI'ULA WORKFORCE HOUSING: Mr. Furfaro moved for passage of Bill No. 2361 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 12, 2010, and that it thereafter be referred to the Planning Committee, seconded by Mr. Kaneshiro, and carried by the following vote:

FOR PASSAGE:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please.

Mr. Nakamura: Next bill for first reading is Bill No. 2362.

Bill No. 2362 – AN ORDINANCE AMENDING ORDINANCE NO. B-2009-691, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010, BY REVISING THE SURPLUS AND APPROPRIATIONS ESTIMATED IN THE BOND FUND: Mr. Furfaro moved for passage of Bill No. 2362 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 12, 2010, and that it thereafter be referred to the Budget & Finance Committee, seconded by Mr. Kaneshiro.

Chair Asing: Any discussion?

Mr. Kaneshiro: I have a...I just wanted to add some clarification. I know there were some discussions when we first came out with the communication and I don't want people to feel that we're taking away money to not do what we're supposed to be doing with the Waimea and Hanapēpē levees. The reason for that is that we're working with a Corp of Engineers, Army Corp of Engineers to do some of the work. They're going to be doing some studies and some stuffs and the remaining money that we have in there, I believe we have \$500,000 still in there, will be used to...by in-house and by you know the county to do the work of grassing and doing other stuffs on the levees. So I just wanted to clear that so people don't have the impression that, you know, we're just taking away money and not doing anything. So the county is working with the Corp of Engineers to come up with a plan where the Corp of Engineers will do some studies and some of the studies we're looking for will be funded. Hopefully they'll be working together will be funded by the Corp of Engineers to do that and there will be money for us to do some of the replenishing work that they (inaudible).

Chair Asing: Thank you, any further discussion?

Mr. Kawakami: Yeah and to add to that, you know, last year and this year, it has been identified as a priority project by the administration and by the council, and we've lobbied for this specific project and the Waimea levees at the federal level through Senator Inouye and Senator Akaka's Office and through Representative Hirono's Office, this is one of nine priority projects that the administration and council has identified. So it's not a non-priority at this point. We are fighting for money at the federal level also.

Mr. Kaneshiro: Right.

Chair Asing: Thank you, any further discussion?

Mr. Furfaro: I just want to thank both gentlemen for expanding on that dialogue, thank you.

Chair Asing: Further discussion? If not, roll call please.

The motion for passage of Bill No. 2362, that it be ordered to print, that a public hearing thereon be scheduled for May 12, 2010, and that it be referred to the Budget & Finance Committee was then put, and carried by the following vote:

FOR PASSAGE:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0.

Chair Asing: Next item please.

Mr. Nakamura: Next matters are Bills for Second Reading, Bill No. 20...2022. The Planning Committee recommended receipt of this bill.

BILLS FOR SECOND READING:

Bill No. 2022 - A BILL FOR AN ORDINANCE TO AMEND CHAPTER 8 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COMPREHENSIVE ZONING ORDINANCE

Mr. Furfaro: Thank you very much. I want to thank everyone on the testimony that supported these proposed bills, but as the committee has suggested, I would like to move to receive these items.

Mr. Kaneshiro: Second.

Mr. Furfaro moved to receive Bill No. 2022 for the record, seconded by Mr. Kaneshiro, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next bill for second reading is Bill No. 2023. The Planning Committee recommended receipt of this bill also.

Bill No. 2023 - A BILL FOR AN ORDINANCE TO AMEND CHAPTER 10 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO SPECIAL DEVELOPMENT PLANS: Mr. Furfaro moved to receive Bill No. 2023 for the record, seconded by Mr. Chang, and unanimously carried.

Chair Asing: County Attorney.

There being no objection, the rules were suspended.

ALFRED B. CASTILLO, JR., County Attorney: Council Chair, member of the Council, County Attorney Al Castillo. Council Chair, may I read all of them or you want me to go one at a time? All of them?

Chair Asing: Why don't we take all of it.

Mr. Castillo: Okay, thank you.

ES-429 Pursuant to Haw. Rev. Stat. sections 92-4 and 92-5(a)(4), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide Council with a briefing and to request authority for a possible settlement proposal in the case of County of Kaua'i vs. Earl Laanui Lanning, Jr. et al., Civil No. 08-1-0033 (Circuit Court of the Fifth Circuit) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-430 Pursuant to Haw. Rev. Stat. sections 92-4, 92-5(4) and Kaua'i County Charter §3.07(E), the purposes of this executive session is to provide Council with a briefing on a proposed settlement of the County's claims arising from shared appreciation agreements applicable to two affordable housing units and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-431 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the Office of the County Attorney requests an executive session with the Council to provide the Council a briefing in King C. Lum v. Kaua'i County Council, et al., Case No. 08-16093 (U.S. Court of Appeals, 9th Cir.) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-432 Pursuant to Haw. Rev. Stat. §§92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the Office of the County Attorney requests an executive session with the Council to provide the Council a briefing in Kristan C. Hirakawa v. County of Kaua'i, Civ. No. CV09-00247 JMS/LEK (U.S. District Court, District of Hawai'i) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-433 Pursuant to Haw. Rev. Stat. sections 92-4, 92-5(a)(2), (4) and (8), and Kaua'i County Charter §3.07(E), the purposes of this executive session are to consider the evaluation of officers and/or employees where consideration of matters affecting privacy will be involved and associated matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-434 Pursuant to Hawai'i Revised Statutes Sections 92-4, 92-5(a)(4) and (8), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an executive session with the Council to provide a briefing regarding legal issues related to the implementation of Kaua'i County Charter Section 3.19. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

Thank you.

Chair Asing: Thank you. With that, what I'd like to do is call the meeting back to order and have a motion to move into executive session.

The meeting was called back to order, and proceeded as follows:

Mr. Furfaro motioned to move into executive session, seconded by Ms. Kawahara, and unanimously carried.

Chair Asing: We'll now move into executive session.

The meeting was recessed at 4:47 p.m.

The meeting was called back to order at 6:52 p.m., and proceeded as follows:

Chair Asing: The meeting is now called back to order. I believe we're on C 2010-95 on page 4. With that, Mr. Clerk, please read the item.

Mr. Nakamura: Communication C 2010-95.

C 2010-95 Request (04/06/2010) from the Office of the County Attorney for authorization to expend additional funds up to \$10,000.00 to engage special counsel's continued representation in the lawsuit entitled King C. Lum v. Kaua'i County Council, et al., Case No. 08-16093 (U.S. Court of Appeals, 9th Cir.) and related matters: Mr. Chang moved to approve C 2010-95, seconded by Mr. Furfaro, and unanimously carried.

Chair Asing: Next item please.

Mr. Nakamura: Next matter...last matter for approval is communication C 2010-96.

C 2010-96 Request (04/06/2010) from the Office of the County Attorney for authorization to expend additional funds up to \$60,000.00 to engage special counsel's continued representation in the lawsuit entitled Kristan C. Hirakawa v. County of Kaua'i, Civ. No. CV09-00247 JMS/LEK (U.S. District Court, District of Hawai'i) and related matters: Mr. Furfaro moved to approve C 2010-96, seconded by Mr. Chang.

Chair Asing: Any discussion?

Ms. Kawahara: Yes, Council Chair.

Chair Asing: Go ahead.

Ms. Kawahara: I just want to say I'm in this particular executive session thing with this case. I have serious, serious concerns about policy issues that are needing to be addressed that aren't being addressed, and having to pay this type of money for something that is a policy based thing that is something that should be implemented and followed is really, really distasteful.

Chair Asing: Thank you.

Ms. Kawahara: So, it's some...it's just a policy decision that needs to be follow...made and followed across departments. Thank you.

Chair Asing: Thank you, any further discussion?

Mr. Furfaro: Yes, Mr. Chair. I do think we'll have an opportunity in the budget session to just talk about the emphasis, urgency in our training business plan that I mentioned last week.

Chair Asing: Thank you, any further discussion? If not, all those in favor say, aye.

The motion to approve C 2010-96 was then put, and unanimously carried.

Mr. Nakamura: Council Chair, just...just for the record, there was no one from the public, in the audience for communications C 2010-95 and C 2010-96.

Chair Asing: Thank you. With that we're going to be...

Mr. Nakamura: We'll be in recess...

Chair Asing: Okay, we'll be recess.

There being no objection, the meeting was recessed at 6:55 p.m.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:18 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Nakamura', with a long horizontal flourish extending to the right.

PETER A. NAKAMURA
County Clerk

/wa/ds